Black

Bus. Sec

COPY A

FEBRUARY 6, 1954

# foreign trade

CHICAGO PUBLIC LIBRARY,
DOCUMENTS DEPT., 12-53
78 E. WASHINGTON ST.,
CHICAGO 2, ILL., USA.
6C14239 W. S-80-

Digitized by the Internet Archive
in 2024

https://archive.org/details/canada-commerce_1954_101

2 Editorial
3 Foreign Trade Reaches Fifty
6 A Changing Role in Changing Times
9 Our Growing Canada
14 Marketing Conditions Change but Sound Trading Practices Don't
18 The Randall Commission Reports
20 Why Canada Exhibits Abroad
22 Commodity Notes
24 The Netherlands Economy Gains Strength
26 The United Kingdom Invests in Canada
28 Cuba and the Sugar Agreement
30 Trade and Tariff Regulations
31 General Notes
32 Foreign Exchange Rates
34 Foreign Trade Service Abroad
40 Businessman's Bookshelf

# foreign trade

Established in 1904
Published fortnightly by the Department of Trade and Commerce.
The Right Honourable C. D. HOWE, Minister,
and WM. FREDERICK BULL, Deputy Minister.

**OTTAWA, FEBRUARY 6, 1954, Vol. 101, No. 1**

Please forward all subscriptions and orders to:
The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad.
Single copies: 20 cents each.

Material appearing in this magazine may be freely reprinted, preferably giving credit to "Foreign Trade"

**cover** In 1904, when the Department published its first weekly trade report, new forms of transportation were being pioneered; today some of them are widely used. But the bulk of the world's international trade still is carried in ships, as it was fifty years ago. —NFB Photo

## editorial

### 1904-1954

*WITH THIS ISSUE, "Foreign Trade" marks its fiftieth birthday and begins its second half-century of continuous publication. It is a time for looking backward and for looking forward . . . a time to recall past achievements, to push ahead with present tasks, and to set future objectives. So, in our anniversary number, we are writing of yesterday and today and shaping the pattern of tomorrow.*

*The long rows of bound volumes of this magazine and its predecessors are "yesterday" to us. From them, and from the recollections of former editors, we have drawn our story of a publication that is a veteran by Canadian standards. From these same volumes we have quarried the items on page 14, to illustrate how trade varies from decade to decade and yet, in most essentials, remains the same.*

*The first "Weekly Report" appeared in response to a need expressed by Canadian business and filling that need is still our "raison d'être". One of our special articles therefore reviews the role of trade promotion over the years and examines our share in it. Another contrasts the Canada of 1904 with that of 1954 and retraces the road between.*

*In recalling the past we do not forget the present. This issue carries both articles on the current business situation in several countries and the regular features which our readers look for and find useful. Nostalgia has only a small place in the workaday world.*

*But to our mind the best way to celebrate an anniversary is by planning enthusiastically for the future. That is why we are presenting, as Volume 101, number 1, a new and larger "Foreign Trade", to appear every second week and replace the present weekly. Careful study over the past year has convinced us that we can give our readers better service and a finer magazine by publishing fortnightly. The redesign is the work of Jacques St-Cyr of the Canadian Government Exhibition Commission and, we feel, blends dignity with readability and an attractive layout.*

*The new "Foreign Trade" symbolizes our determination, as we enter our sixth decade, to make the magazine an ever more effective partner with business in the promotion of Canada's trade.*

*—The Editor*

# "Foreign Trade" Reaches Fifty

*In the years since its modest debut in 1904, the Department's magazine has grown as Canada's trading interests widened and as business sought accurate, up-to-date trading information.*

O. MARY HILL, Editor, "Foreign Trade".

ONE MORNING IN JANUARY 1904, Sir Richard Cartwright, the Minister of Trade and Commerce, called his private secretary, F. C. T. O'Hara, into his office. The Minister had things on his mind: Canadian businessmen were complaining that Trade and Commerce was not giving them the up-to-date information they needed to step up their sales in foreign countries. Every three months the Department published a report carrying contributions from the twelve Commercial Agents posted abroad; this, said business, was too little and too late.

"What do these business people want?" said the Minister to his secretary.

"More information, sir, and more quickly."

"And why can't we give it to them?"

"We can—by issuing a trade report every week."

"When can you start publication?"

"In ten days, sir," came the somewhat unexpected answer.

### "Weekly Report" Appears

And within ten days—on February 1, 1904—the first issue of the *Weekly Report,* great-grandfather of *Foreign Trade,* appeared. Carrying the sub-title, "Containing Reports of Commercial Agents and Trade Inquiries", its modest ten pages featured three articles on the market for Canadian butter and cheese in the British West Indies. Issue number two brought the first listing of Commercial Agents, and reports from Scandinavia, Australia, Leeds, Hull and Manchester. Copies went out to all Boards of Trade and Chambers of Commerce and to members of the Canadian Manufacturers Association.

In the first four years of its life, the *Weekly Report* remained Mr. O'Hara's special charge, a part of his duties as Superintendent of Commercial Agencies. Looking back on his tenure of the editorial chair, he recalls that the new publication "passed through many trials and was the object of many criticisms". Perhaps the biggest problem was obtaining enough material. One device adopted to "flesh out" the *Report* to a respectable size was to print it on only one side of the paper! It was sent free of charge to anyone who applied for it but at that time, and for many years after, the Department limited circulation to Canada. Apparently officials thought it unwise to give potential competitors access to the information which it contained.

### Improving the Magazine

The favourable reception which the fledgling magazine received gratified its sponsors. In his annual report for 1905 the Deputy Minister, W. G. Parmalee, remarked: "It has now come about that this department, which only a dozen years ago started out in a very small way, is called upon for and actually furnishes more commercial information than was given in combined annual reports published or up to that time attainable, notably as regards the tariffs and trade of foreign countries, trade openings, condensed comparative statistics . . .etc. etc."

When, in 1908, Mr. O'Hara became Deputy Minister, the editorship passed to the late Chester H. Payne, then private secretary to the Minister, and continued in his hands until 1914. Leafing through the successive issues in those years, a reader can trace the origin of many of the services and features that persist today. Market reports, for example . . the year 1910 brought a series of articles on the overseas markets for Canadian fish. The idea of "special issues" also took root; in 1909 J. E. Ray, the Trade Commissioner in St. John's, Newfoundland, was asked to prepare a special report on the "Trade of Newfoundland", which was re-published in a booklet. Four years later, R. Grigg, Commissioner of Commerce, was dispatched to China and Japan to study "present and coming possibilities of trade with these two ancient and interesting countries". Several of the resulting reports appeared in the magazine.

The early issues, put beside those of today, appear conservative and rather formal both in writing style and in layout. But 1910 brought the first illustrations.

A photograph showed on a dock in Cuba a shipment of Canadian potatoes, completely ruined because it had been packed in the wrong containers. To make the point clear, an illustration of the proper kind of container followed hard after.

Better service to Canadian traders was the motive behind all the changes and improvements. In 1909, for example, the Trade Commissioners were instructed to compile lists of importers in their territories and these lists appeared in the *Report* week by week. Some of the 1910 issues mention the "project of compiling a detailed list of Canadian manufacturers and the articles produced for export trade"—forerunner of today's *Exporters' Directory,* prepared by the Department for the confidential use of Trade Commissioners. One popular feature of that day has now disappeared because of difficulties that arose later—the "Trade Inquiries". In 1909 the Department received over 2,000 such inquiries and a goodly number of them were featured in the *Report.*

## Sir George Takes a Hand

By the time war broke out in 1914, the magazine had achieved recognition in the trading community and had confounded some of its critics. In the November 2, 1914, number the Minister, Sir George Foster, had some pertinent comments to make. "Heads of firms constantly inform the Department", he wrote, "that they do not receive the *Weekly,* but on inquiry the name of the firm is found on the mailing list. The explanation always given is that having in the past held the *Report* very lightly because of its negligible character, a direct journey is accomplished from the postman to the waste paper basket, but the *Report* has been so greatly enlarged and improved that it is more than double in size and nearly doubled in circulation . . . Every effort is being made to render it worthy the attention of leading men of business, having regard to the vital importance of industrial production and export".

Sir George did indeed take a personal interest in the Department's magazine. In 1914, he requested each Trade Commissioner abroad to send in an annual report on his territory for publication as a supplement to the *Report.* Every Trade Commissioner of that day complied "except Mr. C. F. Just (Hamburg) because he is detained in Germany during the war and is not allowed to communicate". The practice of publishing annual reports continues today, though they are now grouped, by areas, in quarterly issues.

The war years also brought a change in editors. In 1914 the *Weekly Report* became the *Weekly Bulletin* and the responsibility for getting it out week by week was given to the novices in the Foreign Trade Service, then known as "Sub Trade Commissioners". Among the young gentlemen drafted as editors were L. D. Wilgress, later Deputy Minister of the Department and now Canadian Ambassador to NATO, and A. E. Bryan, today Consul and Trade Commissioner at Detroit. The *Bulletin* was printed on rather better paper than the former *Report* and carried a picture on the cover.

## Surviving the First War

It is interesting to trace the effect of the war on the content of the magazine. Hostilities were scarcely under way when the Government began considering how war would affect the volume and direction of Canada's trade. The August 24, 1914, issue of the *Bulletin* carried an article on "The European War and Trade"—a round-up of views expressed in various British and American journals. And on September 1, 1914, came this announcement from Sir George Foster: "Beginning with this number of the *Bulletin,* will be published a series of statements designed to illustrate the opportunities which the present war conditions open to Canadian business enterprise and which the undersigned most earnestly hopes will be utilized to the full."

By January 4, 1915, the once spindly *Report* had filled out to a respectable 59 pages. It carried such regular features as "Enlarged Canada Trade Intelligence" (including British consulates abroad which were willing to help in trade matters); "Trade Inquiries"; "Canadian Grain Statistics"; "Tariff Changes and Interpretations" and "Notes on German Trade". Trade reports from the United Kingdom, from Australasia, and from the British West Indies took relatively far more space than they do in these days of the dollar shortage, and reports from Latin America and from Asia much less.

Six months after the Armistice, the *Bulletin* carried a notice that indicated progress towards rebuilding the civilian economy. Said the June 30, 1919, number: "We are publishing this week . . . notices regarding a number of businessmen who have returned from war service and would like to take up agency work for Canadian manufacturers in overseas countries. It is very important that businessmen who sacrificed their opportunities in Canada to go overseas should have no difficulty in getting back to commercial life . . . Canadian manufacturers interested in export trade who have not yet made arrangements for representation overseas might well give consideration to the claims of these soldiers who are in many cases capable businessmen."

Meantime, the *Weekly Bulletin* was itself undergoing some changes. The Department had for some time realized that good reporting from abroad depended to some extent on the "direction, control and assistance" which the Trade Commissioners received from headquarters. This thinking led, in 1919, to the appointment of the *Bulletin's* first full-time editor, D. S. Douglas.

### "Dougie" Takes Charge

"Dougie", as he became affectionately known throughout the Service, remained the editor until his retirement in 1938 and the magazine of today is, in large measure, his creation. A Scot with the firm conviction that "you can no play hob wi' facts" and a feeling for the exact use of language, he educated many generations of Trade Commissioners in the writing of acceptable reports. The editorial blue pencil remorselessly excised unnecessary phrases and young Trade Commissioners in training with novel ideas were brought down to earth with the remark, *"This is nae a popular magazine"*. But respect for his judgment and his direction of the magazine built him a reputation in the Service. One officer abroad, writing to the Director of the Trade Commissioner Service about editorial changes in his report, remarked philosophically: "I have been under Mr. Douglas' tuition for so many years that I unhesitatingly accept his ruling."

### Birth of the "Journal"

It was under Mr. Douglas's direction, on January 2, 1922, that the *Weekly Bulletin* was again transformed and became the *Commercial Intelligence Journal.* The days of unrestricted free circulation were over; from July 1, 1923, the Department "in view of the heavy expense now involved in the publication" charged a nominal subscription price of $1 a year to addresses in Canada and $3.50 to addresses outside the Dominion. It is interesting to note that the $1 a year rate remained unchanged for 29 years until, in April 1952, it was doubled to $2 a year.

The same 1923 issue which gave notice of the subscription rate announced another development, the printing of a French edition "which it is hoped will be issued in the near future." The *Bulletin des Renseignments Commerciaux,* forerunner of the current *Commerce Exterieur,* actually made its debut on July 14, 1923, and by next January carried the same subscription rate. Over the years, it was not always possible to keep the two editions identical in content and dateline and occasionally the French edition was an abbreviated version of the English one.

The twenties and early thirties saw new features added to the *Journal;* the majority of them, such as the "Foreign Exchange Quotations", continue today. In 1921, data on "Invoice Requirements and Consular Regulations of Other Countries" were reprinted from the magazine as separate leaflets and offered to the subscribers. The readers of that day also benefited from an article contributed by Graham F. Towers, then superintendent, Foreign Trade Department, the Royal Bank of Canada, on the "Banks and Export Trade". One report published in 1922—"New York as an Export Centre—Potential Trade for Canadian Firms"— has a modern ring. So does the 1921 series on Mexico as a market for a variety of Canadian products.

The thirties brought a decline in Canadian exports from a high of $1·3 billion in 1928 to a low of $498 million in 1932. The Trade Commissioners overseas were searching diligently for markets for an extraordinary variety of Canadian products and the *Journal* printed large numbers of market reports. In the first six months of 1932 articles appeared on the market for alfalfa in the United Kingdom, leather gloves in the north of England, senega root in South Africa, canned meats in Japan, horsemeat in Scandinavia, radios in Spain, motor tires in Albania, shoe tacks in the Middle East, wheat in Chile, insecticides in the Netherlands East Indies, fresh apples in Belgium, and many others. The year 1936 saw a series of reports on "Exchange Conditions in Latin American Countries".

When, in 1938, Mr. Douglas retired from the editorship, he was succeeded by J. E. Mackay. Of the eight years that Mr. Mackay directed the destinies of the magazine, six were years of war and severe restrictions on trade, stringent censorship regulations, and the closing of many of the offices abroad had their effect upon the *Journal.* Wartime issues discussed such topics as the problems of U.K. retailers, food rationing in Newfoundland, anti-inflation measures in New Zealand, and transport difficulties in South America.

### Postwar Changes

Shortly after the war ended Mr. Mackay transferred to the Dominion Bureau of Statistics, where he is today chief of the press and publicity section of the Information Services Division. With the new editor, Mr. J. Fergus Grant, currently the assistant director of the Information Branch, came one more change of title and design. In a postwar re-organization the Commercial Intelligence Service had become the Foreign Trade Service. It seemed logical that the *Journal* should take the name *Foreign Trade.*

Writing about the magazine in 1922, F. C. T. O'Hara, the first editor, made an apt comment. "The Department," said Mr. O'Hara, "has reason to believe that the information now contained in this journal is appreciated by Canadian manufacturers and exporters, and will always endeavour to increase its usefulness, and to that end welcome constructive criticism from its readers."

That is our feeling still, on the magazine's fiftieth birthday.

# A Changing Role in Changing Times

*The basic objective of "Foreign Trade"—to help Canadian businessmen expand their trade abroad—has never changed. But achieving that objective has called for constant adaptation to the changing needs of changing times.*

OLIVER MASTER, *Assistant Deputy Minister.*

"FOREIGN TRADE" has always had a single-track mind and a single purpose in life. Its sole objective is to lend a hand in the promotion of Canadian trade abroad. That purpose is no less important today than it was fifty years ago when the first issue, under a different title, came off the press. And it is not likely to lose importance in the years ahead.

### Trading Interests Wider

The setting in which this purpose is pursued is a global one. *Foreign Trade* is in the business of importing commercial information from every quarter of the globe and retailing it to businessmen in all parts of Canada. Though the job which *Foreign Trade* seeks to do may be stated from year to year in the same general terms, that is the only sense in which it is static. In every other way it is dynamic to the nth degree. The world of trade never stands still. The actual work of promoting Canadian trade is always in course of being adjusted and revamped to meet conditions that are as restless as the waves through which the ships of commerce plough their way.

*Foreign Trade* has behind it a half-century of experience during which the task of helping to keep Canadian exporters well posted on commercial conditions in other countries has become more and more complex. In part that has been a natural trend. Canadian trade in 1954 bears only remote comparison with that of the days when wheat production on the prairies was just getting into full swing and the development of the pulp and paper, base metal, and many other industries had hardly got under way. Today Canadian firms are vitally interested in many more foreign markets than they used to be. Their interests are much wider—and not only geographically. They are immensely wider as regards the diversity of products for which export outlets must be sought. These are among the more obvious reasons why the field which *Foreign Trade* tries to cover has changed so greatly.

There is a second and quite different type of transition which, especially during the last quarter-century, has tended to make it a much less simple task to keep close tab on the changes in foreign markets that are of such vital concern to businessmen in Canada. It is no longer sufficient for a Canadian exporter to know that there is a keen consumer demand for his goods in Italy, Brazil or France, or any one of a score of other countries. Nor is it enough for him to know that his products are competitive in both quality and price. In many countries, before he can safely close a sale, the exporter must have iron-clad assurance that his customers can secure licences to import and permits enabling them to make dollar payment. He must be on the alert to get the best advance notice he can concerning markets where import controls are likely to be lifted—and still more so concerning those where there are danger signs that his shipments may run into tighter import restrictions or payment delays.

### Marketing Problems Increase

The whole business of carrying on international trade now calls for infinitely more information of many different kinds than it used to require. Even allowing for the advances made in the facilities for quick travel and communication, the day-to-day work of operating an accurate intelligence service on a world-wide scale demands far greater and more varied effort than would have sufficed for the same purpose not many years ago.

It would be putting things in the wrong perspective, however, to suggest that in Canada's trade promotion work the sharpest challenge arises either from the widening scope of our commercial interests or from the greater complexity of the problem of keeping on top of the changes in dozens of different markets. It is the need to shift the emphasis, and to change direction to suit the circumstances, that presents the major challenge—the need to see that trade promotion effort does not get into a groove and that its mobility matches that of its moving target. Flexibility, supremely important in trade itself, is no less so in trade promotion.

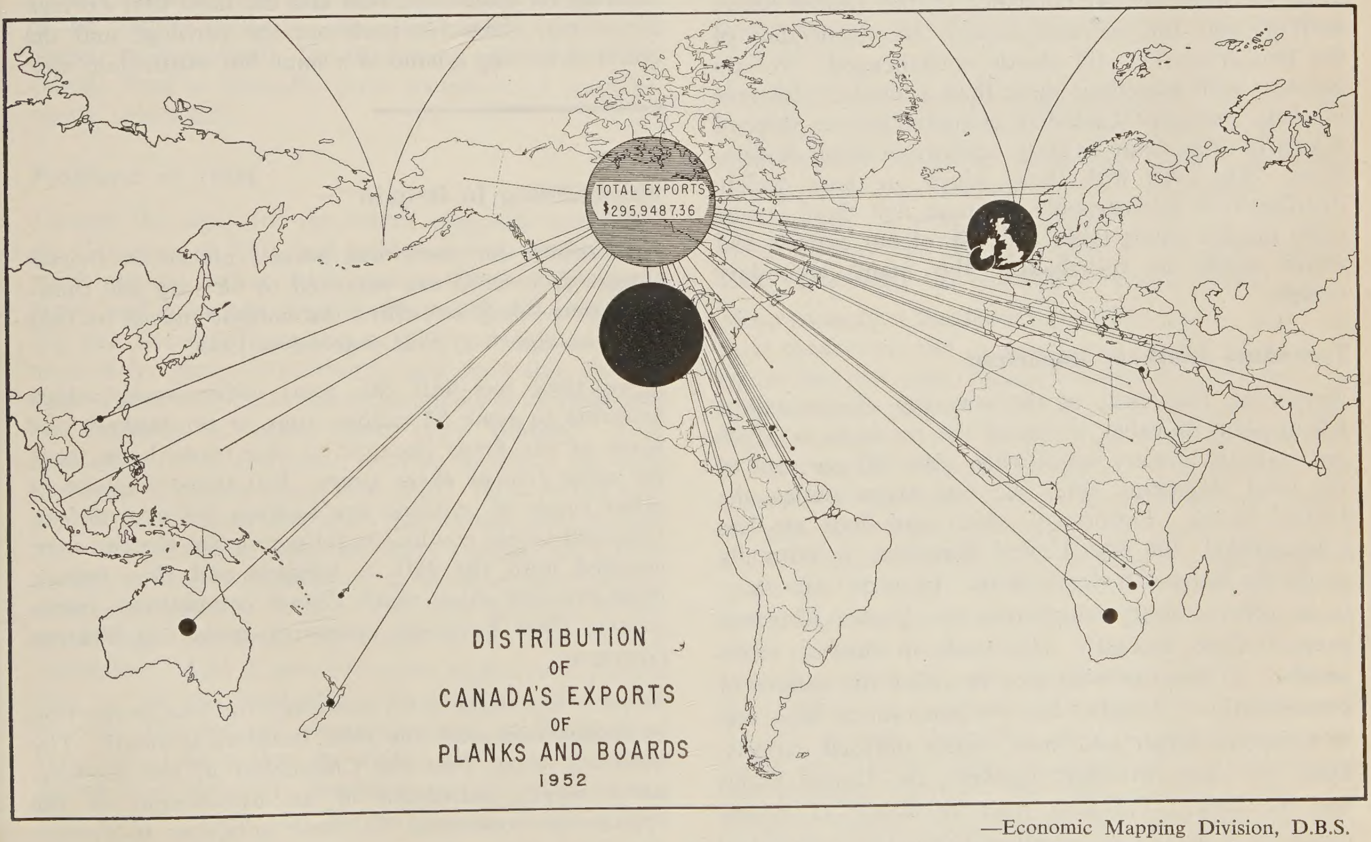
During the postwar years we have seen a degree of flexibility in Canadian trade which, had it not been demonstrated, few persons would have thought possible. Probably not one person in a hundred could or would have predicted that, within the span of the same calendar year, a decline of nearly $400 million in Canadian exports to overseas countries would be more than offset by a rise of more than $500 million in exports to the United States. That is what occurred as recently as 1950. As an example of short-term flexibility it would have been no small achievement even if it had been forced by the harsh pressure of wartime necessity. As a free-wheeling peacetime performance it bordered on the miraculous.

And this vast rechannelling of commerce has not been a flash in the pan. Its sudden development seemed at the time to be as fortuitous as it was fortunate. We have since come to realize more clearly, however, that it is far from being the result of a kind of flexibility that was made to order on the spur of the moment. It is something which, no matter how abruptly it came into clear and full view, has been a long time in the making. In part, at least, it is the product of powerful and persistent trends which we have known and watched for many years, but perhaps without having any very good means of measuring their gathering force.

In the United States there are today 80 million more people than there were fifty years ago. Growth of such order strains our ability to grasp it in a realistic way. It is as if, within the confines of this single market next-door to Canada, five or six new states had come into being, each equal in population and purchasing power to the whole of our present-day Canada. Or, to put it in another way, as if a series of new states had arisen here in North America comparable in population and in economic gravity to a combination of France, Belgium, the Netherlands, Denmark, Sweden and Swtizerland.

### Gauging Expansion

Canada too has been forging ahead, but while we have been gaining ten million people the United States has gained, population-wise, nearly a hundred Manitobas. In the early 1900's we were doing business with a nation to the south which exceeded our own country in population by about 75 million. Today the difference is close to 145 million. Fifty years hence it may be 175 million. How do we go about gauging either the past, the current, or the potential commercial effects upon Canada of expansion on such a scale? Of expansion which has actually picked up speed and power at a stage when it might have been expected—and was expected—to show signs of slowing down?



—Economic Mapping Division, D.B.S.

*The long-established lumber trade illustrates exceptionally well two of the notable features of Canada's export business—its world-wide distribution, coupled with a high degree of concentration on the markets of the United Kingdom and the United States.*

This North American growth is one of the factors—not the only one but certainly the most arresting illustration—which one has in mind in suggesting that the greatest challenge to Canada's trade promotion effort lies in ability to shift the emphasis, to change direction, to steer clear of settling down into a fixed and familiar pattern. All over the world other changes are taking place, some rapidly, some slowly, some on a vast and others on a minor scale, some enlarging Canada's commercial outlets, some restricting or even closing them at least temporarily. The trade promotion job to be done is a global one but it is one that requires distribution of effort in a way that is both mobile and selective.

### Concentration and Diversity

When we speak of Canada as one of the great world-trading nations, the picture which perhaps comes most readily to mind is that of cargoes of scores of different commodities radiating in every direction across the seven seas. Such a picture is not a far-fetched one because our export trade does radiate in all directions and does embrace a very wide variety of products. But by and large the world-wide character of our trade is a much less pronounced feature than its high degree of concentration. As regards our total exports we have the towering pre-eminence of the United States market, and for overseas exports the leadership of the British market still stands unchallenged. We do business with something more than a hundred different markets and some Canadian commodities are shipped regularly to as many as sixty, seventy or more destinations. But even with those which are most widely distributed it is commonly the case that there is one main market which takes the bulk of our exports and which tends to overshadow the many secondary outlets.

### Secondary Markets Important

Newsprint, frequently at the very top of our export list in point of value, is one of the products in which our trade is literally world-wide. But 90 per cent of the total shipments enter the one major outlet, the United States. Exports of wheat and flour are less concentrated, but the United Kingdom is normally much the heaviest buyer of both. In most years there is no other country which runs the United Kingdom even a close second. The trade in lumber offers another variation in what may be called the pattern of concentration. Lumber has for generations been one of Canada's larger and most widely diffused exports. Here we have two chief markets, the United States and the United Kingdom, with the degree of dependence upon the one or the other fluctuating a good deal from time to time. One could go on multiplying examples of how our exports of individual products tend to be focussed in so many cases either on the United States or on the British market. That fact, however, should not be allowed to discount the inestimable importance of the scores of secondary markets in all parts of the globe. Individually they may not appear impressive, especially in comparison with the big buyers. Collectively their purchases mean more to the prosperity of Canadian communities than can readily be expressed. The concentration of 70 or 75 per cent of our export trade in our two dominant markets cannot be taken as a basis for measuring the strength of the trade promotion effort required to do full justice to Canada's commercial interest in the hundred or more other markets with which we do business.

* * * *

The part played by *Foreign Trade* in Canadian trade promotion is a very modest one. It comprises only a small segment of the work carried on by the Trade Commissioner Service. It covers a much smaller segment of the whole program of government trade promotion. And when one takes into account the factor which is so incomparably the greatest of all—trade promotion by those who are in the business of carrying on trade—the best and the most that *Foreign Trade* can claim for itself are the privilege and the credit of lending a hand in a small but worthwhile way.

### Shipbuilding in Britain

*New orders for merchant vessels placed in British shipyards in 1953 are reported to be only 500 thousand tons—only one-third the volume placed in 1952 and one-eighth of that ordered in 1951.*

*More than one-half the total order book, which amounts to some 5¾ million tons, is for tankers and some of the firms engaged in this trade have work for some two or three years. But those engaged in other types of building are looking for new orders. Changed world conditions following the Korean war, coupled with the fall in freights and ship values, have brought about much keener competition, particularly from European countries, including Western Germany.*

*Some orders have been cancelled but the proportion in comparison with the total building is small. The industry hopes that the Chancellor of the Exchequer's recent indication of an adjustment in the repayment conditions on bank advances to owners for shipbuilding may bring about some new orders and possibly minimize further cancellations.*

# Our Growing Canada

***Canadians of 1904, in the midst of tremendous economic expansion, asked themselves whether this growth would continue. In 1954, the question is still valid—and history helps to supply the answer.***

O. J. FIRESTONE, Economic Adviser.

THE TWENTIETH CENTURY was only four years old when the Department of Trade and Commerce published the first issue of the *Weekly Report,* the ancestor of *Foreign Trade.* Yet to the discerning Canadian there were many tangible evidences that his country was on the threshold of tremendous economic expansion.

At long last, Canada's western frontiers were being quickly pushed back. The prairies were yielding wheat of high quality in undreamed-of quantities. Settlers were arriving in Canada in the largest numbers in the nation's history. Capital, much of it from the United Kingdom, was coming into the country in substantial amounts to help speed up Canadian development. Commerce prospered and in the older and settled parts of the country industries expanded rapidly. Cities and towns mushroomed, foreshadowing a fundamental change from a basically rural society to a predominantly urban one.

### Problems of 1904

Though the signs for the future appeared promising, the Canadian of 1904 had good reason to wonder how much staying power there was in his country's prosperity and economic growth. He could still remember the two decades from about 1875 to 1895 as years marked by greater uncertainty and economic dislocation. There were times when Canadians more than once had occasion to wonder about their "destiny". How assured were the European markets in which the large surpluses of prairie wheat were sold? What would happen to mass immigration once the prairies were settled? How long could they rely on heavy capital inflow from abroad to help in building up the country more rapidly than could possibly be done with local savings? Where would new resources be found to warrant further expansion? And if new resources were found, would they be of the kind that Canadians could develop economically and sell competitively in world markets? What about the pull to the south—the continual threat arising from the many thousands of Canadians leaving their country each year for the United States, a land of greater opportunities?

History has provided the answers to these questions. Canadian wheat remained a staple commodity, competitive in price and in quality the world over. In 1953 Canadian exports of wheat and wheat flour went to some 80 countries and involved over ten times the quantity sold abroad fifty years ago. The 1953 crop was the second largest on record. On the basis of Canadian consumption standards, it yielded enough wheat to provide bread—and cake as well—for some 175 million people.

### Response to Challenges

Heavy settlement of the prairies continued for a decade. Then, after World War I, rapid industrialization attracted people to many other parts of Canada. Since the end of World War II Canada's population in absolute terms has been growing more rapidly than ever before.

Capital inflow from the United Kingdom became less important after World War I, it is true, but in its place many millions of dollars came into Canada from the United States. American capital was mainly of the venture type. It went into important resources development projects and the expansion of secondary industries, particularly the building of branch plants.

More recently, Canadians have been able to build up their production and to accumulate savings to such an extent that they could finance out of their own resources both the large military effort of World War II—including substantial aid to Canada's allies—and the extensive postwar capital expansion program. It is perhaps not generally known that in the first seven postwar years, though Canadians undertook the most substantial capital expansion program in their history, this program could be financed *on balance* without appreciably increasing foreign indebtedness. Between 1946 and 1952 inclusive capital inflow into Canada for investment and other purposes amounted to $4,684 million. This inflow was matched by an almost equal outflow of $4,598 million, consisting of Canadian government loans and aid to other countries, private investment and holdings abroad. In 1953, however, the gap between inflow and outflow was widened with the continuation on a large scale of foreign investment in Canada's resources and industrial development program. In the first nine months of 1953 capital inflow amounted to $743 million and capital outflow to $357 million.

The discovery and development of new natural resources in the past half-century is a saga in itself. Even after fifty years of rapid growth, Canada contains but two-thirds of one per cent of the world's population. Yet she produced more newsprint, nickel, asbestos and platinum than any other nation; is second in the world's output of hydro-electric power, pulp, uranium, aluminum, gold and zinc, and third in the production of oats, silver and sawn lumber.

But beyond these achievements a firm foundation for greater things in the future is evident: large oil and natural gas developments on the prairies; iron ore developments, particularly in the central provinces and Labrador; major non-ferrous metal developments in five provinces spread from the Atlantic to the Pacific; uranium developments which have made Canada an important source of this basic raw material for atomic energy; power developments ranging from an estimated St. Lawrence Seaway potential of 3·5 million horsepower to a proposed five million horsepower storage and diversion project in northwestern British Columbia and the southwestern Yukon Territory. These two sources of potential power alone are equivalent to about one-half the hydro-electric power developed in Canada since the first electric light was turned on in 1876.

Though fifty years have passed, Canada remains a frontier land. Now it is the northern frontier that is being pushed back; there tremendous forest, water and mineral resources await development. One of the most recent reports of new discoveries may be mentioned: the possibility of the existence, 500 miles north of the Arctic Circle, of oil-bearing land with potential resources greater than those indicated for Alberta.

Over the last half-century, why have Canadians made such great strides in developing their natural resources, thus facilitating the industrialization of the country and broadening their foreign trade? Among the reasons are:

- The substantially increased raw material demands accompanying the significant rise in living standards and the rapid rate of industrialization at home and abroad.

- Technological advances enabling economic production and sale of basic raw materials.

- Diminution of essential raw material reserves in
necessary for these nations
ces of supply.

found new ways of making
newly discovered natural

resources—they also have been processing an even larger portion of their resources before export. This has contributed greatly to the economic and industrial development of the country. Few Canadians perhaps realize that 62 per cent of exports involving Canadian natural resources (that is, excluding exports of fabricated products) went abroad in the form of processed materials—e.g., flour, refined metals and newsprint. Only 38 per cent went out in natural form—e.g., wheat, ore and pulpwood.

The pull to the south has been a serious problem throughout Canadian history. Though it continues, a countervailing force has emerged: a pull to the north. Together with American industry, capital and technical knowledge, American managers, engineers and skilled workers have in recent years moved north in increasing numbers. Further, more and more Canadians who earlier left in search of greener fields are returning to their home country. Immigration into Canada since World War II has been at one of the highest levels in Canadian history. In 1953, for every emigrant there were three immigrants to take his place.

### Summary of Economic Growth

Thus most of the problems that Canada faced in 1904 have been largely overcome in the intervening half-century. The economy grew in size and depth more rapidly than most Canadians of that time considered likely or even feasible. Here is a brief summary of what half a century's economic growth has meant for Canadians. (The data relate, except where otherwise stated, to the period 1900 to 1950.)

Canada's population rose to about 2½ times the 1900 level; (in 1953 the 15 million mark was reached).

The labour force almost tripled over this 50-year period.

Capital expenditures by business, private individuals and by governments rose in volume terms to about eight times the 1900 total.

Canada became one of the most industrialized nations in the world. Whereas at the turn of the century there were more than two agricultural workers for every person employed in manufacturing, there were at mid-century about one-quarter more persons working in manufacturing than in agriculture. How many people realize that, in relation to the total labour force, there are now in Canada almost as many persons working in manufacturing industries as there are working in United States industries?

Commodity exports in real terms rose to 6¾ times their 1900 level and commodity imports to 7⅓ times. The volume of commodity trade covering both exports and imports rose sevenfold, making Canada the third largest trading nation in the world. On a per capita

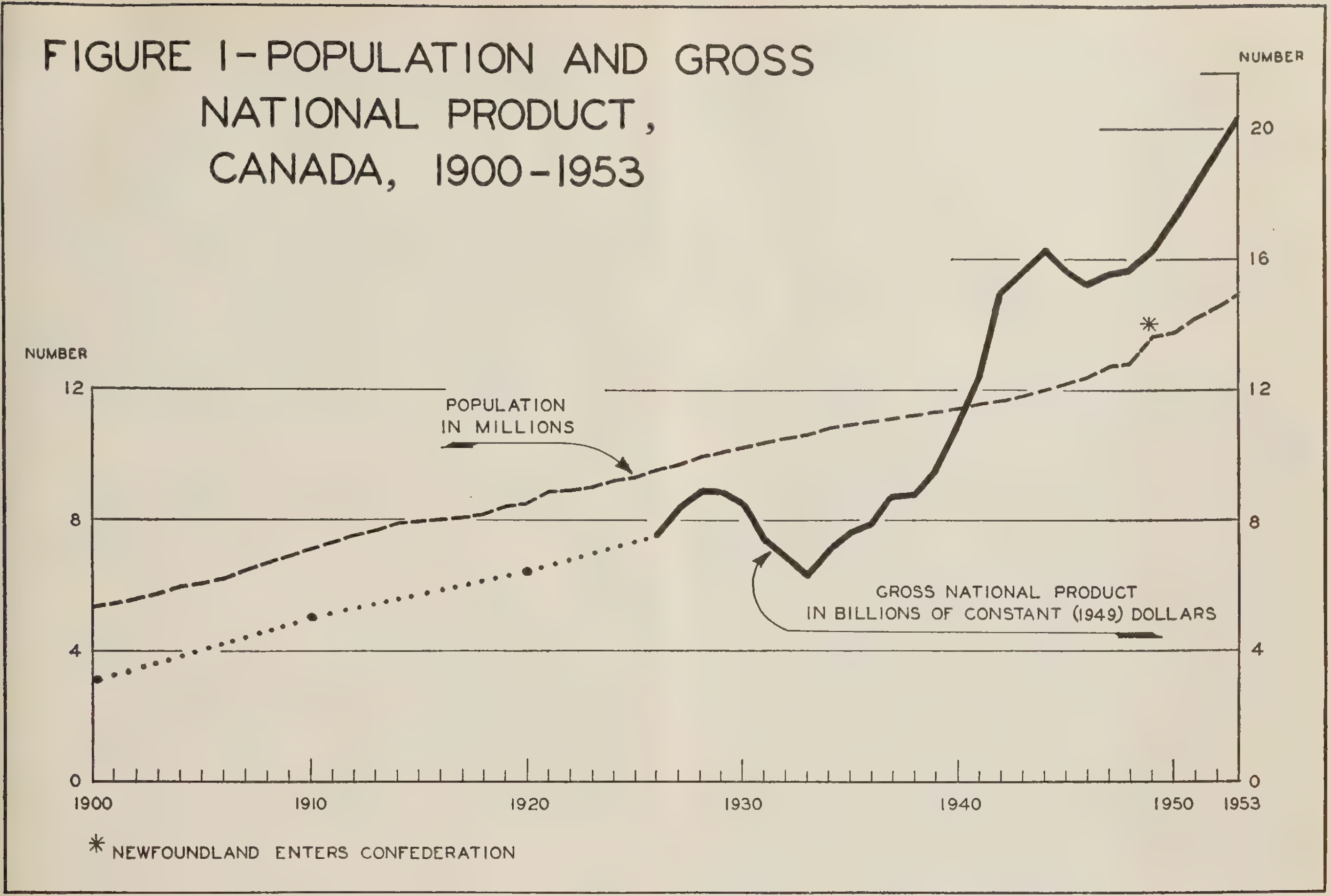


FIGURE 1-POPULATION AND GROSS NATIONAL PRODUCT, CANADA, 1900-1953

* NEWFOUNDLAND ENTERS CONFEDERATION

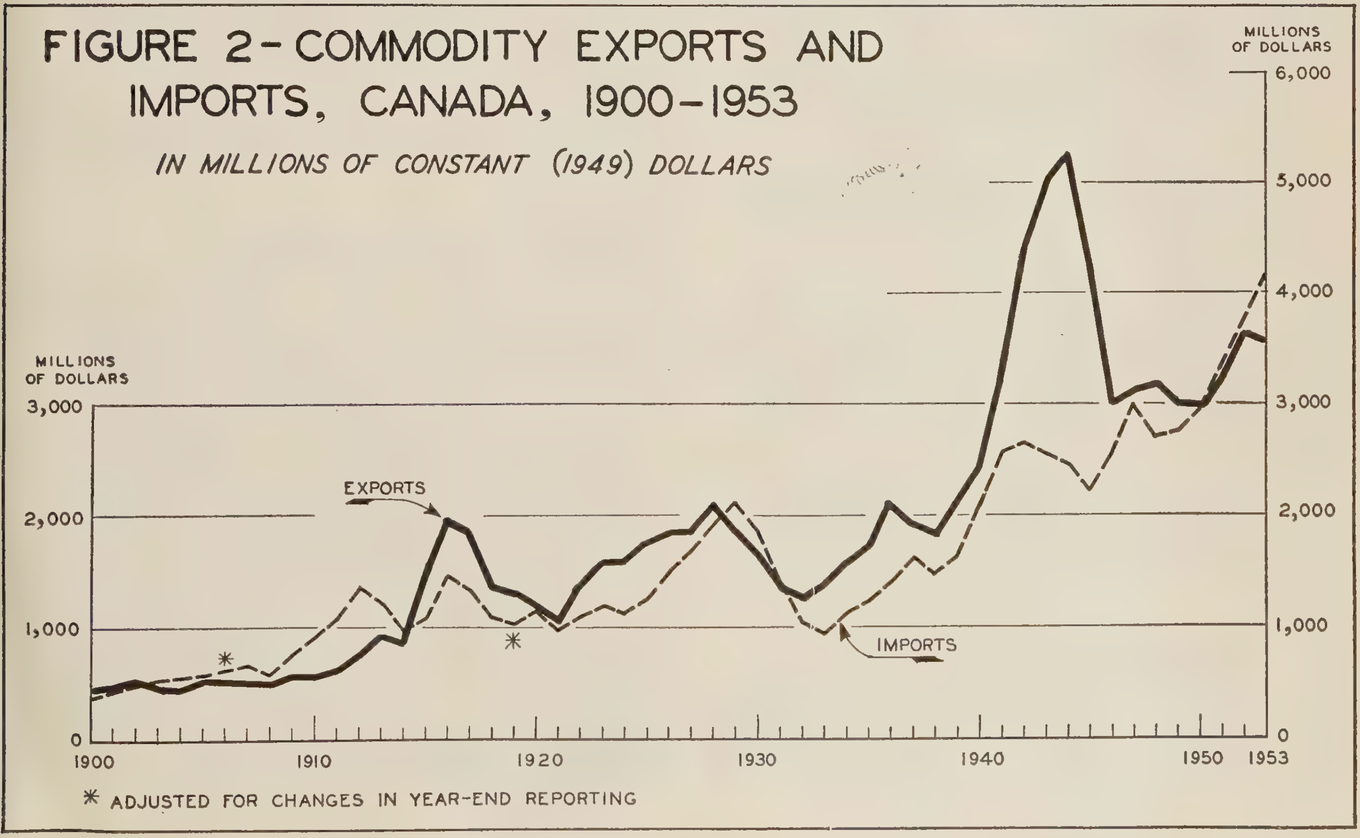


FIGURE 2- COMMODITY EXPORTS AND IMPORTS, CANADA, 1900-1953

*IN MILLIONS OF CONSTANT (1949) DOLLARS*

* ADJUSTED FOR CHANGES IN YEAR-END REPORTING

basis, Canadian trade exceeded by a wide margin that of both the United States and the United Kingdom.

The gross national product in real terms rose to about five and one-half times the 1900 total. This rate of growth implies an increase in real output per man year of about 1½ per cent a year (compound). Past experience suggests that the nation's output about doubled in volume terms both in the first quarter of the century and again in the second (see Figure 1).

### Changes in Way of Life

This rapid growth of the Canadian economy brought fundamental changes in Canadian life.

The real income of the average Canadian more than doubled in that period, making it possible for him to spend more and to save more. The standard of living rose so rapidly in these 50 years that the average Canadian at mid-century was almost twice as well off as his grandfather in terms of the volume of goods and services at his command. Not only did the per capita quantity of consumer goods and services rise materially, but the quality also improved. For many, particularly the farmer and the housewife, life became easier. A prairie farmer operating a one-way disk is now able to plough 20 acres, or by using a three-plough tractor he can do 10 acres, in the time it took his grandfather to plough five acres with a six-horse team. The Canadian housewife using a washing machine and a dryer can do her laundry in one-fifth the time that it took her grandmother.

As the average Canadian became wealthier he changed his living habits in three important ways:

- He expressed a distinct preference for living in cities and towns as Canada became a land comprised largely of urban dwellers (in 1951 only 20 per cent of Canada's population lived on farms).

- He increased materially his expenditures on the comforts of life, such as motor cars and electrical appliances, and on education, health and security, thus reducing proportionately his outlay on the basic necessities of life—food, clothing and shelter.

- He increased materially his leisure time; for example, the average Canadian worked about 57 hours per week in manufacturing industry in 1900 as against 43½ hours in 1950, a decrease of about one-quarter in hours worked.

### Reasons for Economic Advance

How did Canadians overcome most of the problems they faced at the beginning of the century and some of those which emerged in the intervening period? Four factors in particular are worth mentioning:

1. Scientific and technological progress has meant relatively more for Canadians than for some of the more industrialized nations. Many of Canada's natural resources are landlocked and their discovery depends on highly advanced technical instruments—the magnetometer, the geiger counter, the aircraft camera. The development of many of these resources is frequently handicapped by Canada's northern climate and rugged terrain, necessitating much modern and expensive equipment such as the 25-ton bulldozer, the newest in large-capacity trucks, and the latest types of diesel shovel. Except for scientific and technological progress many of Canada's resources would still be unknown or, if known, still undeveloped.

2. The growth of world-wide demand for many of the things that Canada can produce in high quality and at competitive prices has found Canadians willing and eager to make these supplies available on a continuing basis (see below).

3. The skill and industry of the Canadian people is another factor, for Canadians believe that the surest way of getting ahead is by diligent application. Individual and national success, Canadians firmly hold, can best be achieved in a private enterprise society where freedom of choice is paramount and rewards for the enterprising and the bold the greatest. Yet Canadians were realistic enough to have their governments act when action appeared to be in the national interest and could not be taken by private enterprise. These activities ranged from the construction of some of the railroads to providing a national system of social security.

4. Canadians had a fair share of the proverbial good luck that seems to play such an important role in the affairs of man.

### Changing Role of Foreign Trade

In 1900 commodity exports amounted to $177 million 17 per cent of the nation's output or gross national product; by 1920 exports were $1,268 million, or 23 per cent of output; by 1950 exports were up substantially, $3,118 million, though the proportion was down to the 1900 ratio, just over 17 per cent. In 1953 exports were of the order of $4·1 billion, with the proportion little changed from 1950. What happened was that, in the first two decades of this century exports of agricultural products, and later forest and mineral products, rapidly increased Canada's dependence on world markets. Since the 'twenties the domestic market has grown even more quickly than Canada's foreign markets. Even the serious depression of the 'thirties could slow down the growth of the domestic market for only a limited period. While Canada still continues to depend heavily for her prosperity on a high level of trade, there are some indications that the economy is developing growing domestic strength and resilience. The latter might stand this country in good stead should foreign markets, at some time in the future, contract temporarily.

Major shifts have occurred in the destination of Canadian exports. In 1953 the bulk, 58 per cent, went to the United States and 16 per cent went to the United Kingdom. At the beginning of the century the position was reversed. The United Kingdom was Canada's best customer then (52 per cent) and the United States followed (38 per cent). Another important development over the 50-year period was the expansion of the Canadian overseas market to some 120 countries other than the United States and the United Kingdom. Trade with these countries is now relatively more than twice as important as it was at the beginning of the century.

The composition of exports has changed too. Agriculture has become, relatively, a less important factor and forestry and mining more important. The major shifts occurring in the composition of Canada's export trade reflect the adaptability of the Canadian economy to changing demand in foreign markets. An important contributing factor has been the willingness of Canadians to make large capital expenditures for which returns could only be expected after foreign markets materialized.

Viewing the last half century, there is one important lesson that can be learned from the growth and changing pattern of Canada's export trade: If Canadians want to continue as one of the leading trading nations of the world, they must: (1), remain competitive; (2), keep their economy flexible; (3), take bold and imaginative action to develop their resources; and (4), be prepared at times to wait for their efforts to bear fruit.

Commodity imports have expanded in the last half century at approximately the same rate as commodity exports (see Figure 2). Imports in 1900 amounted to $178 million, or 17 per cent of the gross national product. The corresponding figure for 1920 is $1,337 million, or 24 per cent; for 1950, $3,174 million, or 17 per cent; for 1953 over $4·4 billion, or 18 per cent. The most interesting conclusion these data suggest—a conclusion heartening to many of Canada's foreign suppliers— is that notwithstanding the rapid Canadian industrialization over the last half a century, the market for foreign goods has expanded with the growth of the domestic economy. True, some commodities have become less important than they used to be, but others have taken their place, providing foreign businessmen with bigger and better opportunities to sell in the Canadian market.

Another aspect of Canada's good fortune has been a more rapid rise in the prices that Canadians receive for the goods they export than in the prices they pay for the goods they import. Consequently, the terms of trade moved considerably in Canada's favour over the last half-century. In 1900, for example, the general price level of goods exported was about 10 per cent below prices of goods imported. By 1953, it was 10 per cent above.

### What of Canada's Future?

In conclusion, what of the future course of Canada's economic growth?

Many forces of expansion are now operating in Canada's economy that had their parallel 50 years ago. Could not atomic energy mean to Canada in the next fifty years what electric energy meant in the last fifty? Might not aircraft and rocket development do for the next generation what the motor car did for the last two generations? Could not television and electronic devices become as important for tomorrow as the telephone and radio were for yesterday? Might not new developments in oil, natural gas, iron ore, aluminum and titanium in the next half-century hold just as much promise as mass production of wheat, newsprint, and non-ferrous metals did in the last?

Just as new opportunities for further economic expansion are certain to arise in Canada in the future, so new problems will also develop. But Canadians have been able to handle those of the past; there is every reason to trust their competence to tackle future ones with a fair measure of success. If the prospects for Canada's economic growth appeared bright in 1904, they appear brighter now, fifty years later.

There are indeed many things for which Canadians can be grateful and they can look to the future with judicious optimism.

### Aircraft for Britain

*The United Kingdom aircraft industry is reported to have raised exports during 1953 to the record level of £64 million (about $175 million), an increase of £20 million ($54,800,000) over 1952. The labour force has been increasing at about 2,000 a month and reached nearly 225 thousand at the end of 1953. Both military and civil aircraft are involved and the industry expects to reach an export figure of £100 million ($274 million). Although new emphasis is on civil aircraft production, military-type production, both for home and export, is expected to be maintained for some years. Further orders totalling some £100 million are being actively negotiated, it is reported, with most of them expected to be concluded before the end of the year. Meanwhile the backlog of orders for airliners, largely for export, amounts to some £48 million.*

**January 3, 1905**

"The retail price of turkeys here at present is 8½d. to 9d., or 17¢ to 18¢ per pound, and as beef and mutton retails for 1s. or 24¢ per pound, the economic housekeeper with a toothsome taste now indulges in turkey." *(Manchester)*

**October 23, 1905**

"The bulk of the demand is for a cheap, showy upright piano fitted with two candle holders and imitation ivory keys. German manufacturers turn out an instrument embodying the above characteristics, which they quote at £17 ($82.73) f.o.b. Hamburg; this article the retailers sell locally at £45 ($219). The largest Cape Town importer of pianos states the ordinary Canadian article was much too good an instrument for the South African market." *(Cape Town)*

**January 17, 1910**

"Horse Clothing—A firm in the Midlands of England manufacturing every description of horse clothing and saddlery, braces, belts, purses, pocket books, leggings, golf bags, is desirous of hearing from likely purchasers in Canada." *(Trade Inquiries)*

**August 3, 1917**

"In placing washing machines on this market, Canadian exporters will have to meet the competition of several English makes, many of which combine the wringer and mangle with the washer. One popular type, with combined mangle, is a rather expensive machine, worked on the principle of the revolving washing-box, the cleansing being effected by the circulation of the water in the box, without the use of any interior dolly pegs, rubbing boards, etc. The catalogue price of this in 1913 was £7 7s. to £10 7s. ($35.07 to $50.37) subject to wholesale trade discount of 50 per cent. In 1917, these prices were increased by 35 per cent." *(Liverpool)*

**August 7, 1917**

"Dried fruit salad has only been known on the market for the past four years, but is becoming very popular. It is composed of prunes, apricots, pears, peaches and apples, generally, in the proportion of two-sevenths each of prunes and peaches and one-seventh each of pears, apricots, and apples. From the standpoint of the shipper the salad is a valuable aid in finding an outlet for the less popular fruits. It is packed chiefly in 50 pound boxes unfaced, but sometimes in 25 pound boxes, faced." *(Liverpool)*

# Market Conditions May Change but . . .

**December 1, 1914**

"Last week the steamer *Purley,* the first vessel to come to New Zealand via the Panama Canal, arrived in Auckland. The *Purley* made a record voyage of thirty-seven steaming days. She left New York on October 11, and reached the canal eight days later. She was then delayed by a fall of earth in the Culebra cut, which occurred on October 18. The time taken in traversing the canal was six and a half hours." *(Auckland)*

**December 11, 1914**

"Some idea of the enormous quantity of boots alone that are required may be formed when it is remembered that there are now from eight to ten million men under arms, and that the average life of a pair of boots in the field is eight weeks. Small wonder that the manufacturers are busy. Nor is the private consumer likely to get his boots much cheaper in the near future. Indeed, so great is the demand just now for all kinds of leather that both the seller and the manufacturer can afford to be independent and to ask almost what they choose." *(Leeds)*

**January 18, 1923**

"Probably the most favourable feature of the twelve months is the restoration of England's financial credit, as illustrated by the remarkable advance in the dollar value of the pound sterling to a figure which approaches parity. Upon the other hand, this has been accomplished at the cost of great sacrifices, for at the moment the staggering burden of taxation which British industry and trade is shouldering is one of the main deterrents to the return of prosperity. It is true that during the year some partial relief was afforded by the reduction of one shilling in the income tax, which, however, still stands at the formidable figure of five shillings in the £1." *(London)*

**January 15, 1932**

"The Postmaster General for the Union has announced that a regular weekly air mail service between London and Cape Town will start from London on January 20, and from Cape Town on January 27, and will continue to be dispatched on each Wednesday from these points until further notice. The scheduled time for each journey is eleven days." *(Cape Town)*

**November 13, 1905**

"Foreign customs regulations and forms of certificates required are frequently subjects of inquiry from Canadian exporters. There is, therefore, published herewith some information compiled by some of the Canadian commercial agents. In many instances the forms required by various countries are very voluminous, and space will not permit of their being published in the *Weekly Report*. Again, these forms cannot be relied on for all time, in view of the fact that they are always subject to change." *(Notice to Readers)*

**September 25, 1914**

"One of the most important factors in obtaining business is to secure the proper class of representation. People who are 'Jack of all trades', so to speak, and anxious to take up agencies of all sorts—imagining that all they have to do is to get agencies and business will come to them—are a disappointment not only to themselves, but to those who place agencies in their hands. Business by correspondence may succeed for a time, but when competitors have active, aggressive representation, something beside correspondence is needed to hold and develop trade." *(Glasgow)*

# Sound Trading Practices Don't . . .

**December 5, 1914**

"Price is a leading factor, and the representative of the Canadian line, should he not obtain business at first, would find his time well spent in comparing his cost with the cost in other countries as exemplified in the stocks he would see. It is the first step that costs, and any line for which the demand is large would justify this first step. 'Goods well bought are half sold', and this applies to manufacturing also. 'Goods manufactured at a cost to compete are half sold' ". *(Barbados)*

**February 22, 1915**

"The Argentine importer, the same as any other, needs to know that he can depend on his supply when he needs it and not only at such times as it appears advantageous to the exporter and, if he cannot obtain this in one quarter, he will seek it in another. In addition to this, the Canadian exporter should, above all, try to offer the same or a better article than that already imported and in the same or better conditions if possible. With these two points well defined nothing more is necessary for the gaining of permanent success by the Canadian exporter." *(Buenos Aires)*

**March 29, 1915**

"Trifling things sometimes make the difference between success and failure in developing an export business. Accuracy in making out invoices and certificates of origin and exact compliance with all customs regulations are absolutely essential. Small formalities, little courtesies, prompt and full replies to letters of inquiry, readiness to make allowances for different methods of doing business, fairness in dealing with complaints, care in packing not only to ensure safe transportation and save freight in cases where steamers charge by space instead of by weight, but also to suit the special requirements of the market, all have an influence in developing an export business. Each order should be regarded as a means of creating a favourable impression that will result in more orders." *("Suggestions to Canadian Exporters.")*

**September 17, 1917**

"The time is certain to come, however, and sometimes with considerable frequency, when domestic business is depressed and when orders of any sort and of any origin will be particularly welcome. The export field offers the widest market from which to obtain these desired orders, but when wanted they cannot be had merely for the wishing or asking. They must be ready as a result of work previously done in preparation." *("Practical Advantages of an Export Business.")*

**January 3, 1921**

"The many activities of a Trade Commissioner render it of first importance that he should be possessed of the highest possible intelligence to enable him to discuss every line of business, in view of the widely diverse information which is required of him. No thought is given by the public to the many intricate problems a Trade Commissioner has to study in tariffs, exchange, ocean and inland freights, insurance, supply and demand, etc." *("Assistance That Can Be Given by Canadian Trade Commissioners.")*

**January 3, 1921**

"When one is situated as we were with a product to introduce which was comparatively unknown in Great Britain, I only know of one sound plan of action. You must go over and study the market for yourself. When you get there you should spend considerable time in gathering up all the information available bearing on

# Market Conditions May Change but . . .

**January 27, 1932**

"The end of the year 1931 found business at the lowest ebb since the beginning of the depression. The year was entirely one of recession. The trend of operations in the steel industry typified what took place in industry generally. As a result of the less active demand for steel in 1931, unfilled orders of the United Steel Corporation declined more than 1,280,000 tons to approximately 2,850,000 tons, the lowest level in more than twenty years." *(New York)*

**July 22, 1936**

"Canadian wheat and flour remain, for all practical purposes, commodities which are no longer imported into or consumed in Germany.

"Prefacing the following review of conditions surrounding the sale of wheat and flour to the German market and the regulation of such trade as is carried on in it by other wheat-producing countries as well as that of a purely domestic character, it may be said that Germany appears to have achieved, for the time being at least, the objective of becoming practically self-sufficient in so far as wheat production is concerned." *(Hamburg)*

**October 20, 1936**

"The 'Canada Calling Britain' Campaign, recently announced by the Canadian High Commissioner in London, was launched in Glasgow on October 13, when over 2,500 grocers' and fruiterers' shops in Glasgow and district began the display of Canadian goods, while posters of striking design bearing the slogan 'Canada Calling Glasgow', which are attracting much public attention, were displayed on hoardings and editorial and display advertising appeared in the press. Aeroplanes flew overhead trailing the messages 'Canada Calling Glasgow' and 'Buy Canadian Products'. At the same time there was a Canadian exhibit at the Housing and Health Exhibition in Kelvin Hall." *(London)*

**August 16, 1939**

"The British Minister of Mines stated in the House of Commons recently that Canada would be looked to as one of the sources of supply of pit props in case the North Sea was cut off or the business interfered with in the event of a national emergency (which is the less harrowing way of saying in the event of war). Business in pit props is still being conducted in the normal way, but if war were to come it is practically certain that the Government would assume control of the business and avoid the confusion that occurred when the Great War was in progress. Supplies would in that event be required from Canada and Newfoundland." *(Glasgow)*

**October 12, 1940**

"Canadian electric-stove manufacturers have built up an enviable reputation for their products in South Africa. This has been accomplished over a period of years, during the course of which the closest possible attention has been given to market requirements and peculiarities . . .

"The practical results of the efforts put forward by Canadian electric-stove manufacturers to develop this market are evident from a study of the figures covering imports. In each of the past four years Canada has supplied an average of more than 70 per cent of the total value of electric stoves and parts imported into the Union of South Africa. This same percentage should be maintained in the current calendar year." *(Johannesburg)*

**August 11, 1945**

"There is no shortage of foreign exchange in Brazil to cover all bona fide commercial transactions, reports Mr. Maurice Belanger, Commercial Secretary at Rio de Janeiro, but there is a tendency to curtail foreign exchange permits for payment of imported commodities when local substitutes are available in adequate quantities. There have been instances also of refusal to grant exchange to cover imports of articles considered as absolute luxuries."

**February 2, 1948**

"Commodities of all kinds poured into Barbados, British Guiana, Trinidad, the Leeward Islands and Windward Islands last year during the period of sterling convertibility and relaxation of import controls. Due to the pent-up demand for consumer goods a moderate boom occurred, and Canada secured a share of the business that developed. Import totals increased substantially, as the heavy backlog of orders, especially for textiles from the United States, was filled." *(Port of Spain)*

# Sound Trading Practices Don't . . .

the introduction of your product. Then you should spend a little longer in sifting out that information before acting. It is best to make sure of your ground before the buyers even realize that you are in the country." *(London)*

**February 28, 1921**

"It is undoubtedly better for the Canadian manufacturer to handle his products in South America through an export firm or commission house that has actually surveyed the territory. The future all depends on the initiative of the Canadian. If you are a Canadian and can meet competition, you can get the business; but remember to approach the South American in the right way." *("Canadian Export Prospects for South America")*

**February 13, 1922**

"Canadian exporters who contemplate appointing agents in any of those countries in which Trade Commissioner offices are located would be very well advised to write to the Trade Commissioner before entering into a contract. By this means they can ascertain the standing of the particular firm in the commercial community, and also whether they have a reputation for enterprise, and are likely to prove suitable representatives." *("Foreign Representatives for Canadian Firms.")*

**June 24, 1922**

"If at all possible, the head of the firm which contemplates sending a salesman to South America should first visit the market. He will then become acquainted with something of what is required amongst Latin Americans. He will see everything for himself, and thereby learn the intricacies of this market first-hand." *(Rio de Janeiro)*

**March 3, 1923**

"A constant source of complaint, not only from Canadian Trade Commissioners but from other sources as well, is the laxity shown by a number of Canadian firms in replying to foreign correspondence. Not infrequently foreign importers obtain the names of Canadian manufacturers of certain products imported by them, and write for quotations with a view, if such be favourable, to forming connections. It sometimes happens that the manufacturers addressed are not in export trade or interested in it, but instead of replying to that effect, they simply ignore the communication. The consequence of such treatment is that foreign importers become resentful, and the impression is formed in their minds that Canadian manufacturers are neither businesslike nor courteous.

"While instances of inattention, carelessness or discourtesy may be isolated, nevertheless cumulatively they have an extremely ill effect, and this cannot but react upon Canadian trade in general." *(Editorial)*

**November 26, 1936**

"When submitting prices, the quotations should be on a c.i.f. basis. It sometimes happens that a Canadian firm will quote f.o.b. factory. Such information is quite inadequate, and the importer, unless he is extremely anxious to handle the particular commodity, is likely to lose interest at once. In these times, when competition is so keen, it is usually not a difficult matter to obtain a similar line and, unless the exporter gives full particulars, the importer will secure a connection elsewhere.

"While f.o.b. Canadian seaboard quotations are an improvement compared to the f.o.b. factory, it is a distinct advantage to include transportation charges as well." *(Oslo)*

**September 23, 1939**

"Exporters should come to an early understanding with their distributors regarding the amount of money to be spent on publicity as well as its form. A special brand or label may be allowed to importers who buy in large quantities. The adoption of a brand involves the producer's responsibility, since the goods must be what they are represented to be and their quality must remain uniform." *(Brussels)*

**December 29, 1945**

"Substantial increases over Canada's prewar trade with Latin America are possible in the years ahead if Canadian manufacturers, exporters and importers show a vigorous, practical interest in the Latin American countries as markets for Canadian goods and as sources of supply. That was the conclusion reached by the Canadian Trade Commissioners in Latin America at a ten-day conference held recently in Ottawa with officials of the Department of Trade and Commerce and of other government departments and agencies.

"The Trade Commissioners reported a generally friendly attitude toward Canada in their territories and a lively interest in closer and direct trading relations." *(Conference on Trade with Latin America)*

# The Randall Commission Reports

***Here is a brief report on some of the findings of the Commission which, at the President's request, has been studying the foreign economic policy of the United States.***

R. G. C. SMITH Commercial Counsellor for Canada

**Washington**

Last summer the President brought into being the Commission on Foreign Economic Policy (popularly known as the Randall Commission) which was to recommend the foreign economic policy of the United States for the immediate future. Now the Commission's report is in. It is bound to become the focal point for discussion by the forces hoping for more liberal trade policies and by those who oppose them, and any legislation by the Congress of the United States that may arise out of it will be watched very closely by other nations.

The report was sent to the President on January 23rd. The President immediately sent it to the heads of the Executive agencies and departments of the Government with the request to "proceed immediately with an intensive review of this report as a first step in the formulation of a unified Administration program to be submitted to the Congress for its attention during the current session."

### Legislation Will Be Controversial

At the moment, it is a report that will have to be turned into legislation; the legislation will be controversial and it is impossible to foretell how many of the recommendations will be put into operation. In order to understand the background better and to interpret the different moves that will follow publication, it is as well to consider the form of the Commission and the difficulties it faced during the time it worked on its monumental problem.

Two groups, roughly, are interested in the trade problem—those who support more liberal trade and those who oppose it. The lines are not sharply drawn but the division is clear enough to get a view of the situation. This is not a conflict between free trade and protection, but rather between more liberal trading policies and higher protection—or at least no further lowering of the U.S. impediments to imports. No less important are the problems of United States economic aid and convertibility, but in these fields there is not as much partisanship.

To make a rounded view of the problem certain, the Committee was composed of seven businessmen appointed by the President, five Senators and five Representatives. The members were drawn from both sides of the main argument. It is not surprising that, in such circumstances, none of the sections of the report was unanimously accepted. However, the recommendations are supported by heavy majorities in all cases—as a general rule, the dissenting vote is not over four. At the same time, the "quality" of the dissenting voting should be noted. Representative Reid, Chairman of the House of Representatives Ways and Means Committee, and Representative Simpson, a senior member of the same committee, opposed the general conclusions and have undertaken to submit alternative recommendations and a statement of principles governing these before the sixth of March. Because the Committee on Ways and Means will have original jurisdiction over legislation stemming from the report, the reservations of these two Congressmen are more important that the statistical minority might suggest. Senator Milliken, the Chairman of the Senate Finance Committee which will have similar jurisdiction over the legislation in the Senate, reserved his position generally but specifically on the sections dealing with tariffs and trade.

Meanwhile the different forces outside the government will gather their supporters to do battle for or against the policies put forward. Even if the debate ends in stalemate, negative results will have important repercussions because, even under these circumstances, other countries will know with some certainty the climate under which their own economies must develop vis-à-vis the greatest creditor nation of all time.

### Main Issues Discussed

Many of the broad headings which the report covered —such as foreign aid, technical assistance, foreign investment, public lending, agriculture and raw materials, convertibility of currency, labour standards, east-west trade and the tourist trade—are indirectly connected with the narrower subject of foreign trade. Certainly the balance of payments position is affected by the manner in which foreign aid is administered. The report recommends that grants should be continued where the necessary military efforts of friendly countries would represent too great a strain on their economies if they attempted to carry them out alone.

Coming to the sections more directly affecting foreign trade with the United States, we outline below some of the reasons that foreign countries have given why they cannot develop their exports to the United States. We then consider what the report has to say about these.

- *The level of the U.S. tariff is too high.* In the first place, the report does not admit that the level of U.S. tariffs is high in comparison with other countries. However, some of the recommendations do provide machinery for lower duties. It is recommended that the President should be authorized to declare changes in rates on the basis of recommendations of the Tariff Commission, arising out of reclassification—provided that such changes in tariff rates do not alter materially the total of duties collected in any one group of rates under reclassification.

The most direct possibilities of reduction, however, stem from the recommendation for an extension of the treaty-making powers of the President for a period of three years. Under existing legislation, the President may only reduce tariffs by 50 per cent of the rate in effect on Jan. 1, 1945. As a result of the various trade agreements negotiated since, the possibilities of reduction under this legislation have been largely exhausted. The new proposals would authorize the President to:

(*a*) Reduce existing tariff rates by a maximum of 5 per cent in each of the three years, through multilateral trade negotiations. It will be noted that the reduction of 5 per cent would be made from existing tariff rates in effect at the present time, and not from the rates in effect on the 1st January, 1945.

(*b*) Without necessarily receiving any reciprocal reductions from the other countries, to reduce rates by 50 per cent below those in effect on January 1, 1945, on those items not now imported, or imported in negligible quantities (the reduction to be spread over three years).

(*c*) To reduce any rates over 50 per cent to that level, the reduction to be effected by stages, spread over three years.

- *The threat of instability of tariff rates through escape clause action of the Trade Agreements Extension Act discourages foreign firms from making a strong effort to establish their product in the United States market.*

Under Section 7 of the Act referred to above, the Tariff Commission is required to investigate any imports effected by negotiated tariff reductions that may be considered to be affecting a domestic industry seriously. A recommendation by the Tariff Commission may result in the unilateral withdrawal of the concession. Over 50 cases have been considered for revision under this clause, but the President has only taken action in three. The Randall Commission Report recommends that this escape clause should be retained but adds that the President should be specifically authorized to disregard findings whenever the national interest requires it.

- *The value for duty purposes is frequently calculated in such a way as to have no relation to the actual selling price and to cause real difficulties to imports.*

A House of Representatives bill is now before the Senate that is designed to correct this situation and to eliminate the so-called "foreign value" from the consideration of value for duty purposes. The report recommends that the Senate should consider this Bill promptly and the Treasury Department should study ways and means of simplifying the calculation of value for duty to bring it to the actual invoice price.

- *The classification of articles for duty purposes is cumbersome, non-uniform, uncertain, and frequently bears little relationship to the actual articles under consideration.*

The United States Customs Tariff is broken down into 3,507 classifications, many of which are divided into several sub-groups. Further, there are various overriding considerations based on such generalities as "similitude", "component of chief value", or "in part of". These factors make the classification of many imports a matter of opinion and frequently of long delay. The report recommends that the Treasury should draw up proposals to simplify the classifying of articles and consider the possibility of doing away with such confusing standards as "similitude" and "component of chief value".

Congress should also direct the President to have the Tariff Commission undertake a study of the tariff schedules at once, to simplify commodity definitions and rate structures.

- *Under the Agricultural Adjustment Act, the United States may impose quotas on imports of agricultural products that are considered to be interfering with the United States agricultural programs.*

In this case the report does not make firm recommendations, but states that "in the application of import restrictions on farm products, the level of those restrictions should be set with full regard for the effects on overseas buying power and the possibility that such restrictions may lead to retaliation and may be self-defeating".

*—continued on page 27*

# Why Canada Exhibits Abroad

*Sales promotion through participation in the great trade fairs abroad has bcome one of Canada's established trade policies—for reasons that should make sense to business.*

H. LESLIE BROWN, *Director, Information Branch.*

FAIRS ARE PROBABLY the oldest form of organized trade promotion; every story of business during ancient and mediaeval times records the holding of great annual fairs, smaller country and county fairs, and village market-days. Fairs had their lighter side: the gathering together of numbers of people attracted the strolling players, the tellers of tales, and other entertainers. But the primary purpose was business—the exchange of goods.

In modern days, fairs have changed; where once the products of guild members or of individual craftsmen were displayed, the products of industry take the centre of the stage. But the fair still holds its place; there old friends meet, new friends are made, and business is transacted. It is still a good medium for selling established lines or winning markets for a new product.

## Canadian Displays Abroad

The Government of Canada has long been aware of the importance of fairs and the various purposes which they serve. It took part in the Great Exhibition at the Crystal Palace, London, in 1851, and in other well-known prestige exhibitions such as those at Wembley, Glasgow, Johannesburg and New York. Since March 1, 1902, when Mr. William Murchison was appointed the first permanent head of the Canadian Government Exhibition Commission, Canada has consistently been promoting trade with other nations by displaying facts and figures about the country, its produce and its merchandise at large international trade fairs held in main commercial centres abroad.

The basic plan, especially since 1930, has been simple and effective. The Department of Trade and Commerce, through the Exhibition Commission, rents floor space of size appropriate to the plan of the fair and to its trade importance. Structure and decoration are carefully planned to attract business visitors and to encourage trade inquiries. Before the war, at the British Industries Fair in London and Birmingham, Canadian firms sublet stands in the Canadian section. The practice at other trade fairs, such as Brussels, is that the agents take their own stands according to trade classifications and the Canadian Government stand directs inquirers to the specific displays in which they are interested. If there are no showings of goods in the buyer's particular line, the inquiry is handled by the Canadian Trade Commissioner on duty at the stand.

## Committee Makes Studies

The Department of Trade and Commerce maintains a Committee on Trade Fairs Abroad composed of senior officials devoted to the development of international trade. The Committee meets regularly throughout the year to consider plans for participation in leading world trade fairs. Working with Commodity Officers, Area Trade Officers and the Exhibition Commission, the Committee studies the needs and trends of Canadian trade with countries in which regular trade fairs or special world expositions are held. It seeks answers to such questions as: Can our trade be expanded in the circumstances peculiar to this market? What kinds of Canadian goods are selling and are likely to be in demand? What classes of buyers attend each fair and in what numbers? Do buyers from neighbouring countries visit the fair? The annual program is drawn up in July when studies have been completed and decisions made.

More than a score of well-established trade fairs operate annually in various parts of Europe and Asia, and on special occasions in other parts of the world. Therefore the studies have to be thorough to make sure that those most useful to Canadian trade are selected. Our objective at some fairs is the direct development of Canadian exports. Goods and materials likely to attract the attention of buyers then form the bulk of the display. The theme is the ability of Canada to supply quality goods or bulk materials or whatever best suits the needs of the country at the time. At another fair, and another time, the theme may be the prospects for the sales in Canada of that country's goods—sales that will earn dollars to buy basic needs from Canada.

When the themes and objectives of each display have been decided upon, the Exhibition Commission interprets them visually for final approval. Drawings are transformed into attractive exhibits by a staff of carpenters, electricians and painters in the well-equipped workshops of the Commission. Samples of goods to be displayed are selected and gathered together, whether they be metals or grains, wood and paper, or the varied products of our factories. The display and all its materials are carefully packed and shipped to the fair.

*This is a section of Canada's official exhibit at the 1953 Brussels International Trade Fair. A new display for the 1954 Fair, April 24-May 9, is being prepared by the Canadian Government Exhibition Commission. In recent years, agents of Canadian exporters have been setting up their own stands at the European Trade Fairs.*

The Information Branch, in consultation with other branches, prepares and gathers suitable literature for use at the fair. Some publications are selected for their interest to prospective buyers, others are chosen because of their value as reference material on Canada. An inexpensive folder is prepared each year in appropriate foreign languages as well as English and French. These are run off in quantities as a general "give-away" for the Canadian stand. They contain pictures of principal Canadian industries with brief captions and notes on commerce and industry, together with a few basic facts about Canada. They are used to satisfy casual general inquiries and to stimulate the reader to seek more detailed information.

### Manning the Exhibit

The Canadian Trade Commissioner takes over when the display has been set up. He and his colleagues and staff are responsible for proper manning of the stand. One or more of them are present during the time the fair is open, usually a week or two, to meet all visitors and supply full information on every aspect of trade with Canada. It is a busy time. Buyers of a wide variety of goods discuss their problems and plans in the privacy of the small office included in the plan of the stand. The Trade Commissioner gives information on Canadian sources and availability of the required goods. He makes notes for following up on the inquiry after the fair closes by sending full details to the Department in Ottawa and by supplying the inquirer with additional data. He pursues the inquiry for positive results. Here is trade promotion in action.

### Market Possibilities Studied

Canadian manufacturers and exporters are encouraged to exhibit either on their own account or through their agents in the countries where the fairs take place. Export opportunities can be studied carefully and tried out by exhibiting abroad and by gauging the reactions of the buyers and public. Two weeks at a trade fair where buyers gather to examine exhibits is an effective form of advertising for the sellers, whether the market be new or known.

The European markets are not open to all products but they are heavy buyers of essentials. Many of them buy modest but worthwhile quantities of a good range of merchandise. To promote Canadian trade, the Department of Trade and Commerce will participate during the next few months in the British Industries Fair in London and Birmingham and at international trade fairs in Brussels, Hanover, Milan, Osaka, Paris and Utrecht.

### Exporters' Agents Participate

Since the war, relatively few Canadian exporters have participated in trade fairs abroad because of inadequate sales opportunities. Conditions are improving in some markets. At Brussels, for example, the agents of a goodly number of Canadian exporters have taken their own stands more and more often in recent years. The government display includes a high proportion of consumer goods and this focuses the attention of Belgian and other buyers on the individual showings by the agents. The same development is becoming evident at Utrecht and to some degree in Hanover.

At the other trade fairs the Department of Trade and Commerce continues to "carry the ball" alone for the time being. There the publicity is general. Thus we keep the name of Canada, as third or fourth world trader, before the eyes of the general public and of specific buyers, until such time as regulations are relaxed sufficiently to attract exhibits by individual Canadian exporters.

# commodity notes

## Brazil

TOBACCO—Tobacco production in 1953 has been estimated at 119,743 metric tons by Brazil's Ministry of Agriculture. Production in 1952 amounted to 106,307 metric tons—Rio de Janeiro, Jan. 13.

PIG IRON—Pig iron production in Brazil during the first nine months of 1953 totalled 654,447 metric tons, compared with 567,116 metric tons in the same period of 1952—Rio de Janeiro, Jan. 13.

ROLLED STEEL—Brazil produced 589,026 metric tons of rolled steel sheets, valued at Cr.$2·4 million, in the first nine months of 1953, according to official statistics. Production in the same period of 1952 totalled 530,866 metric tons—Rio de Janeiro, Jan. 13.

COAL—According to the Minister of Agriculture, Brazilian coal production in the first six months of 1953 totalled approximately 992,094 metric tons, a slight increase over the same period of 1952—Rio de Janeiro, Jan. 16.

CEMENT—Brazil's cement output in the first six months of 1953 increased by 22 per cent to 930,419 metric tons, compared with 761,033 metric tons in the same period of 1952—Rio de Janeiro, Jan. 16.

## Chile

TYPEWRITERS—Chile expected to receive 224 German typewriters by the end of December. They will be used in the various government departments —Santiago, Jan. 14.

## Cuba

CEMENT—Because of greater demand and consumption, Cuba has had to increase its imports of cement; 2,466,655 bags were brought in between January 1 and December 10, 1953. In the same period, Cuba's only cement plant averaged approximately 800 thousand sacks a month. It is not yet known when construction of the new plant at the eastern end of the island—expected to make the country self-sufficient in cement—will be completed—Havana, Jan. 12.

KENAF BAGS—The Cuban Ministry of Agriculture has announced that final tests on bags made from kenaf fibre have been successfully completed. Efforts are being made to reduce production costs so that these containers can compete favourably with foreign competition, mainly in Indian jute bags. The Cuban sugar industry is a leading customer for these bags—Havana, Jan. 12.

## Federation of Rhodesia and Nyasaland

CEMENT—The annual report of Rhodesia Cement Limited states that the company's third kiln should be in operation this February, now that more coal and better transport are available. Cement production during 1953 was only maintained by drawing on accumulated stocks of clinker. Cement sales during the fiscal year ended August 31, 1953, totalled 140 thousand tons and it is expected that the full output of the three kilns will be needed to meet the continually expanding demand—Cape Town, Jan. 14.

## Greece

CEMENT—A new extension of the cement plant at Volo in Central Greece was inaugurated in December. Capable of yielding another 125 thousand tons a year, it will raise the output of the Greek cement industry to over one million tons a year and probably increase the volume of cement exports beyond the 100 thousand tons sent in 1953 to Turkey and other Balkan and Near East countries. This has been one of the principal results of Marshall Plan Aid to Greece—Athens, Jan. 11.

## India

HESSIANS AND GUNNIES—According to the Indian Central Jute Committee, Japan's re-entry into the market for gunny cloth and a considerable decline in United States' imports are the highlights of India's export trade in this commodity during January-August 1953. Gunny cloth shipments during these eight months totalled 913·5 million yards, a marked improvement over the 694·2 million yards exported in 1952 and the 775·8 million yards of 1951. Middle East and Continental countries took less, Commonwealth and South American countries took more than in previous years. Argentina took 264·2 million yards during January-August 1953, compared with 34·7 million yards in 1952 and 200·7 million yards in 1951. Sales to Canada improved slightly to 67·6 million yards from 64·1 million yards in 1952 United States' imports dropped to 384·5 million yards from 453·7 million yards in 1952. Exports to the United States of burlap (hessians) during the first seven months of the year totalled 398·3 million yards, compared with 446·3 million in the same period of 1952. Exports to all other countries rose sharply—New Delhi, Jan. 7.

### Ireland

TEXTILE CARD CLOTHING—A new factory to produce card clothing and accessories for carding machines for use in the spinning of all types of fibres was opened recently at Swords, Co. Dublin. The promoters of this company have decided to operate in the Republic without any special protective duty or state aid because they feel they can, if given the support of the Irish textile trade, compete in price and quality with any imported textile card cloths. Production is set at about £30,000 a year; if demand warrants, it could be doubled.

The company says it has developed an export trade and already has agents in 16 different countries, including five countries in the dollar area. However, a greater export drive is necessary because capital amounting to almost £100 thousand has been invested in the company and the factory cost roughly £40,000—Dublin, Jan. 14.

### Israel

EXPLOSIVES—Two grades of explosives, both consisting primarily of ammonium nitrate and some T.N.T., are now being manufactured by a new Israeli plant from imported raw materials. These are elementary forms of explosives and are suitable for use only in dry weather and in dry soil. The local production of these explosives is expected to save the country two-thirds of the foreign exchange previously spent on such materials, which are used mostly in quarrying and road construction—Athens, Jan. 15.

### South Africa

GOLD—During the past four years, sales of South African gold at premium prices have brought an estimated additional £15·4 million to the producers. The presence of the free market made it possible for a number of South African mines to use low-grade ore which otherwise would not have been mined. In 1951 premium gold revenue amounted to £6·7 million—equivalent to more than 15 per cent of the total ordinary working profits of the mines—Cape Town, Jan. 9.

AVOCADOS—Transvaal avocado growers are fostering the growing taste for this fruit in Britain. The export of avocados may become a rural Transvaal industry, second only to citrus export. During the height of the season, up to 5,000 trays a week were shipped to England where they fetched higher prices than on the Witwatersrand—Johannesburg, Jan. 6.

TRACTORS—The Union now has more than 70,000 tractors, of which some 50,000 have been purchased since 1945. The number of supplying countries has increased. In 1939 U.S. manufacturers supplied the whole market; today tractors are being imported as well from Britain, France, Germany, Sweden and Austria and are being assembled in the Union itself —Cape Town, Jan. 14.

WHEAT—The Orange Free State's 1953 wheat crop reached an all-time low because of the long drought and late frosts. Estimates from the principal areas vary between one-quarter and one-third of previous expectations and the total crop for 1953 will be less than one million bags. In 1952, 1·8 million bags were harvested—Johannesburg, Jan. 8.

### Sweden

WOOD PULP—Swedish wood pulp, according to press reports, is currently being sold in the United States. Prices are slightly higher for sulphate qualities, but there is no sign that buyers feel bound to cover their needs at any cost. Practically the entire 1·8 million tons of pulp for sale from the 1953 production have been sold and also the 350 thousand tons on hand at the beginning of that year. Pulpwood prices have risen by about Kr.25 per ton in North Sweden and Kr.50 per ton in South Sweden —Stockholm, Jan. 18.

### Turkey

COTTON—During 1952 Turkey's cotton exports amounted to 69,934 metric tons valued at $69·1 million. Exports during the first eight months of 1953, the export season, reached 69,321 metric tons with a total value of $54 million. The principal buyer of Turkish cotton is West Germany, followed by France, Italy, Czechoslovakia, Hungary, the United Kingdom and Austria.

Production during 1952 reached a record 170 thousand tons, the estimates for the 1953 cotton crop stand at 125 thousand tons. This drop in production is partly attributed to unfavourable weather and partly to less acreage sown because of the lower prices received. The crop will probably approximate 150 thousand tons—Athens, Jan. 12.

### THE NETHERLANDS

# The Economy Gains Strength

*With reserves of gold and foreign exchange strengthened, industrial production up, and exports well maintained, Holland was able to liberalize imports during 1953.*

W. G. PYBUS, *Assistant Commercial Secretary for Canada.*

**The Hague**

IN SPITE OF THE DEVASTATING FEBRUARY FLOODS the Netherlands economy displayed growing strength in almost every sector throughout 1953. Industrial production reached an all-time peak. Full employment was maintained and a remarkable harmony characterized labour-management relations. Though prices tended to move slightly downward during the year, legislation to increase housing rentals, to be offset by a general wage increase and proposed tax reductions, may cause some inflation in 1954. Investment in industrial enterprises strengthened towards the year's end but is not likely to reach targets set by government planners.

A favourable balance of international payments brought the reserves of gold and foreign exchange to a new high. During the course of the year the guilder strengthened sufficiently to allow trade liberalization with OEEC countries to rise to 93 per cent.

Towards the end of the year dollar import restrictions were somewhat eased, allowing freer imports of raw materials, semi-finished products and some capital goods. If the present favourable economic position continues, further relaxations on the import of dollar goods may come early this year.

## Production Increased Despite Floods

The recovery from the disastrous floods which swept the agricultural southwestern part of the country about a year ago has been outstanding. It is estimated that loss of production totalled about 200 million guilders, only a comparatively small percentage of the national production. Although damage to dykes and property amounted to nearly one billion guilders, the affected areas were mainly agricultural lands with a small production potential in relation to land area. It was fortunate for the Netherlands that the cruel sea did not encroach upon the large inland industrial centres.

During 1953 industrial production showed an 11 per cent increase in the first ten months of the year, compared with a similar period in 1952. Metal products, mainly capital goods and consumer durables, led the field in increased industrial production, advancing from 177 in 1952 to 205 in the first nine months 1953 (1938=100). The fact that the Netherlands is producing much larger quantities of basic iron and steel products at low prices at its Ymuiden steel plant probably contributed substantially to this result. Increasing numbers of domestic and foreign industries established over the past two years also played an important role.

Production of coal, which meets only 60 per cent of the nation's requirements, is being hampered by exhaustion of existing deep seams and the difficulty of obtaining and holding an adequate number of miners. The levelling-off of food production may be attributed to some extent to the floods. However, a more important factor is that further expansion through the application of more intensive methods is hardly possible because of the highly developed state of the industry.

## Full Employment in '53

The Netherlands experienced full employment throughout 1953. During 1952 unemployment rose to such a degree that the Government was compelled to take limited measures in the most severely affected areas.

Since the beginning of last year, however, unemployment dropped steadily. By October 1953 only 94,000 workers, less than 2½ per cent of the working population, were unemployed. The additional state expenditure of approximately 400 million guilders in 1953, as a result of the floods, no doubt did much to stimulate employment. The Netherlands Ministry of Economic Affairs estimates that 55,000 additional employment opportunities resulted from the floods.

One of the most noteworthy phenomena of the Netherlands economy during 1953 was the continuing harmony among labour, management and the Government. The production and employment records established during the year can in no small measure be attributed to the stability of Netherlands labour. In 1953 Holland lost fewer man-hours through strikes than any other western country. Government, industry and labour achieved this unique result by joint discussions of the policies to be followed and co-operation in executing the agreements reached.

### Wage Increase Allowed

The Government allowed housing rentals in the Netherlands, rigidly controlled at low levels since the war, to be increased by an average of 20 per cent, effective January 1, 1954. To compensate for the consequent reductions of consumer income following this measure, a 5 per cent general wage increase has been declared. At the same time, the Government is introducing some tax reductions designed to step up both investment and consumer spending.

Some observers fear that the measures taken will prove to be inflationary and that the Netherlands price position on export markets will be weakened. However, the recent national trend towards greater productivity combined with the trend towards lower raw material prices add strength to the Government's policy.

### Industrial Investment Encouraged

Of major concern in establishing long-run equilibrium of the Netherlands economy is the rate of investment by private individuals and the Government in industrial enterprises. The shadow of an ever-increasing population continues to stretch across this country. To provide employment for a working population which grows at the rate of 30,000 per year in spite of migration, increased investment in industry is necessary.

In the first quarter of 1953 gross investments, expressed in 1953 prices, lagged 50 million guilders behind those made in the same period of the previous year. During the second quarter, investments advanced to 430 million guilders, slightly exceeding the figure attained in the like period of 1952. Although no further data are available at present, it is expected that the 1953 investment target of 1·8 billion guilders at 1952 prices, set by the Government, will not be reached.

It is interesting to note that foreign companies, attracted by sympathetic governmental regulations and by stable labour conditions, are increasingly making investments in the Netherlands in the form of branch plants.

### Balance of International Payments

The Economic Affairs Ministry estimates that the surplus on the current account of the payments balance for 1953 will be somewhat lower than in 1952. For the first half of last year the cash surplus amounted to 949 million guilders, only slightly lower than the 1·06 billion for the same period in 1952. The Ministry's estimate of a lower surplus is based on the decreased rate of accumulation in the reserve account and European Payments Union account. In the third quarter of 1953 the increase in the gold and foreign currency reserves amounted to 154 million guilders, compared with an average quarterly increase of nearly 420 million in 1952. In the first eleven months of 1953, Holland's accumulated EPU surplus stood at 283·9 million guilders, compared with 1·02 billion during the same period of 1952.

The Netherlands dollar position, which has caused great concern during the postwar years, has improved and commodity exports to both Canada and the United States have grown considerably during the year. In the first half of 1953 the surplus on current account amounted to 186 million guilders, compared with 50 million for the same period of 1952. Although returns from services, mainly shipping, declined in the first half of the year, commodity exports rose by about 30 per cent. At the same time commodity imports from the dollar area were reduced by about one-fifth. Thus increased exports and reduced imports combined to achieve a favourable balance.

The Netherlands' balance on current account developed favourably during 1953, primarily as a result of improved terms of trade. A substantial rise in exports during the third quarter of the year resulted in an 8 per cent increase in the *volume* of exports for the first nine months of 1953 as compared with 1952. However, an accompanying decrease in export prices caused the *value* of exports for the first ten months of 1953 to remain the same as for the similar period of the previous year, 6·7 billion guilders. Import prices fell slightly more sharply than export prices, thus causing the index figure of the terms of trade to rise from 89 in 1952 to 91 in 1953. The import volume index, (base 1948=100), rose from 145 in the first quarter to 159 in the third.

The maintenance of a high volume of exports, a major objective of the Netherlands, was achieved largely as a result of a good competitive position in spite of falling prices. Some observers are concerned about this country's ability to maintain its exports in view of the 5 per cent general wage increase planned for 1954. However, higher productivity, which can be still considerably improved, may enable Holland to keep exports high.

### Imports Liberalized

As a result of growing economic strength over the past two years, Holland has increased to 93 per cent its liberalization of imports from OEEC countries on the basis of 1948 imports. Thus almost all goods entering the Netherlands from the OEEC, compared with imports in 1948, are completely free from quantitative restrictions. On total Dutch imports the liberalization was more than 50 per cent at the year's end. The Netherlands can view with satisfaction its efforts to remove trade barriers.

By October 1953 the Netherlands Government felt that the country's financial position was sufficiently strong to warrant some easing of dollar import restrictions. Although an elaborate licensing system is being maintained, Netherlands importers of raw materials, semi-finished products and industrial equipment are now granted import and currency licences automatically for goods destined for use in this country. Dollar imports destined for trans-shipment to third countries are still subject to rigid control.

A close examination of the dollar commodities which are allowed virtual free entry reveals that the goods are either readily obtainable in the soft-currency area at competitive prices or are available only in the dollar area. Consequently the immediate implication of the relaxed import conditions is that only those dollar goods which can meet keen price competition will be acceptable to this market.

In spite of its limitations, the gradual re-opening of the Netherlands market to Canadian goods is most encouraging. With the good beginning already made and in view of the favourable economic position of this country, it is highly probable that the list of imported goods allowed will be extended to include wholly manufactured articles. Should a more complete liberalization of dollar imports occur in the near future, it is likely that the price factor will continue to dominate the market.

# The United Kingdom Invests in Canada

*Nearly $100 million in British capital was invested in Canada in 1953 and this renewed interest on the part of British investors seems certain to continue.*

R. P. BOWER, Commercial Counsellor for Canada.

**London**

It has been said that 1953 will go down in history as the year that the United Kingdom discovered Canada. This is not to discredit "John Cabot and son Sebastian", but to underline the fact that in 1953, for the first time since the end of World War II, a sizable number of United Kingdom organizations took part in the rapid industrial expansion that has been a phenomenon of postwar Canada.

The United Kingdom has not played the dominant financial role in the development of Canada that she attained in, say, South Africa, New Zealand and Australia, or even in certain South American countries. Nevertheless, by 1930 United Kingdom residents had $2,766,300,000 invested in Canada. This was less than the amount invested by residents of the United States and unfortunately even this sum was to be reduced through the liquidation of assets to help finance the war effort. The low point was $1,593 million reached in 1948. Since then, there has been a gradual increase in United Kingdom investments in Canada, with the total for 1952 reaching $1,800 million. This was a slow advance compared with that of the United States, whose investors increased their stake in Canada at a rate of approximately $500 million a year during the same period.

To a great extent the disappointing United Kingdom performance stemmed from serious sterling area balance of payments difficulties and an accompanying shortage of dollars. Money was made available for dollar investment only under special conditions which did not apply where transfers to sterling area countries were concerned. Largely for this reason, manufacturers with branch factory aspirations were attracted to Australia, New Zealand, the Rhodesias, and other parts of the sterling area.

The improvement in the United Kingdom economic climate that became apparent toward the end of 1952, and which continued throughout 1953, induced a more lenient attitude toward dollar investment. In April 1953, the Economic Secretary of the Treasury made the following statement in the House of Commons:—

"It is clearly in our interests to facilitate United Kingdom participation in Canadian development and we are ready to provide dollars within the limits of our resources for direct investment in productive enterprises which will benefit our balance of payments."

This could mean little unless United Kingdom industry as such had the desire to spread into Canada. Fortunately, this urge arose. It was due in large part to the almost uninterrupted good tidings from the Canadian scene. It owed something as well to lack of confidence in many of the areas of the world that had formerly attracted British capital.

### Developments Attract Attention

The proposed St. Lawrence Seaway had a romantic appeal to a country which played so important a part in the Suez Canal project. Engineers and contractors visualized a challenge to their skills and equipment. The pace of resource development and the magnitude of some of the undertakings promised a high level of construction for some years to come. Some of the biggest names in United Kingdom contracting and engineering fields have opened up offices in Canada either independently or in association with established concerns.

Repeated accounts of an expanding volume of industrial output with high incomes and purchasing power have induced a wide variety of British industry to make a serious drive for the Canadian market. Manufacturing facilities are set up where the economics of the situation suggest this course. Distribution arrangements or assembly plants are organized where they seem called for. Products ranging from T-shirts to heavy earth-moving equipment, from radar sets to chemicals, are included. The size of the investment varies from a modest $10,000 for a room with a desk and telephone to a $20 million synthetic fibre plant. All have brought to Canada something of the skills and methods which have been developed and employed in the United Kingdom.

Aside from the above types of investment which were authorized in 1953, a large number of United Kingdom investment agencies were established. These groups include some of the oldest and most famous houses in "the City" and their aim is to help finance some of the anticipated developments.

### Investment in Canada in '53

The amount of new money approved by United Kingdom fiscal authorities for investment in Canada in 1953 was in the neighbourhood of $100 million, by all odds the largest sum to be invested in the postwar period. This is estimated to represent about one-third of the total amount which United Kingdom investors sent abroad to all countries. It is about one-fifth of the amount invested in Canada by United States groups in the same period. It is, however, almost identical with the amount invested in Canada from all sources in the year 1900.

There is no indication that this interest on the part of British industry will decline in 1954. To the extent that United Kingdom-owned companies prosper in Canada and dividends are remitted to parent firms back home, the balance of payments position of the United Kingdom will benefit. In addition, these branch plants should aid the United Kingdom dollar export drive. They will represent an outlet for British-made components and will provide a distribution mechanism for the complete range of a British company's products —and not just those made in the Canadian branch.

### Interest Will Be Sustained

It is expected that the reawakened and perhaps belated interest of United Kingdom investors in Canadian development will pay generous dividends to both participants. In some fields the United Kingdom may suffer for being somewhat late in entering the arena (e.g., Western oils). But it is a source of satisfaction that there should now be a widespread recognition of the opportunities in Canada and a determination to share in them.

---

## Randall Commission *(continued from page 19)*

- *The 'Buy America' Act prevents foreign firms from competing for important government contracts and is, therefore, additional protection.*

Here the report is forthright in recommending that the President should be empowered to exempt countries from the restrictions of this act on a reciprocal basis. Further, pending such amendment, the President should, by executive order, direct procurement agencies to consider foreign bids, all things being equal.

- *The requirement of the use of United States ships to carry 50 per cent of the shipments financed by loans or grants of the United States Government creates hardship for foreign ship owners and detracts from the benefit of economic and military aid.*

The report recommends that these statutory provisions should be withdrawn and that other means, such as further subsidies, should be used to maintain the United States Merchant Marine if necessary.

It is important to realize that this report is very far from legislation and that many of the recommendations were vehemently rejected by some members of the Committee and will be no less vehemently rejected by sections of the public and in both Houses of Congress. None the less, it is a compromise report that attempts to come to grips with some of the main problems facing the United States. The legislation that will arise from it should thus be watched with the closest attention by all those interested in foreign trade.

# Cuba : *and the sugar agreement*

G. A. BROWNE,
*Commercial Secretary for Canada.*

*What are the principles behind the new five-year International Sugar Agreement, and how does it work? Here is a useful analysis from our Havana office.*

**Havana**

In mid-December 1953, countries representing a majority of the world's sugar importers and exporters ratified, or declared intention to ratify, the International Sugar Agreement. They thus brought into effect for a five-year period from January 1, 1954, an international accord on sugar production and marketing. The importance of the Agreement to countries heavily dependent on sugar as a cash crop is obvious; it serves to minimize fluctuations in world prices which gravely affect their economies. In fact, its effects will go beyond sugar itself and be felt by associated molasses, alcohol, yeast, vinegar, and citric acid producers and users. These too, as well as those who merely spoon sugar into their coffee, help to account for the following per capita sugar consumption figures (in pounds) . . . Australia, 117; New Zealand, 110; Canada, 98; South Africa, 93; United States, 93; Switzerland, 89; United Kingdom, 82; Netherlands, 80.

## Meeting Wartime Shortages

Because of war devastation and stagnation in important producing areas, both beet and cane, and consequent shortages the Allied Governments controlled world supply and distribution through World War II and up until 1948. Intensive new cane-sugar production was encouraged in the Western Hemisphere, notably in the Caribbean and in Cuba. This additional output helped to meet the Allied loss of important European sources which, prewar, had made possible that continent's contribution of one-third of the world's sugar supply. Since 1946, European beet-sugar production has recovered to its present output of 13 million tons a year.

Cuban growers and mills were called on for increased production each year to meet war and postwar needs. Cuban production had seen hard times since 1920, when it made up 22 per cent of world output; it fell to 16 per cent in 1930 and 10 per cent in 1940. Wartime demands, however, drove it up and past 1929's previous five-million-ton record. Postwar and Korean demands maintained this unusual long-term pressure and resulted almost inevitably in 1952's general overproduction. In that year the Cuban crop totalled an unprecedented seven million tons and this brought a corresponding marked fall in sugar prices.

The break in sugar prices with this sudden change in world supply vitally concerned Cuba, whose sugar exports earn about 90 per cent of her income. The Cuban Government reduced 1953 production in order to meet this world price problem, cutting back output by nearly 30 per cent—as far as was possible without creating an even more difficult and hazardous problem of unmanageable unemployment. By this action, Cuba's 1953 crop was held down to about five million tons and the slump in the price of Cuban sugar destined for world markets—other than in the United States—checked.

To meet this vital problem, Cuba took the lead in the 1953 international sugar discussions which finally reached agreement on export quotas for participating countries and fixed minimum and maximum prices.

The 1953 International Sugar Agreement represents the close of a cycle of world sugar policy characterized by the transformation of a world market dominated by buyers' demands to one governed by sellers' needs. Essentially, it is neither new in principle nor unique in method. The concern of many countries about prime commodities has been similarly manifested in inter-

**World Sugar Production and Prices**

(Long tons of 2,240 lb. and cents per lb.)

| *Year* | *World* | *Cuba* | *%* | *World Price f.o.b. Cuba Annual Average* |
|---|---|---|---|---|
| 1920 | 16,652,000 | 3,735,425 | 22·4 | 11·718 |
| 7925 | 24,614,000 | 5,189,346 | 21·1 | 2·508 |
| 1930 | 27,900,000 | 4,670,973 | 16·6 | 1·257 |
| 1935 | 26,255,000 | 2,537,951 | 9·6 | 0·858 |
| 1940 | 30,414,865 | 3,329,727 | 10·9 | 1·382 |
| 1942 | 26,653,559 | 3,348,825 | 12·6 | 2·650 |
| 1944 | 22,943,244 | 4,174,041 | 18·2 | 2·650 |
| 1946 | 26,741,775 | 3,940,728 | 14·7 | 4·181 |
| 1948 | 31,515,641 | 5,876,761 | 18·6 | 4·237 |
| 1950 | 32,322,000 | 5,393,541 | 16·7 | 4·975 |
| 1951 | 34,214,000 | 5,589,232 | 16·3 | 5·674 |
| 1952 | 32,196,000 | 7,011,393 | 21·8 | 4·320 |
| 1953 | 34,789,000 | 5,006,960 | 14·4 | 4·176 |

national agreements, or hopes of agreement, on wheat, cotton, wool, rubber, and in somewhat parallel circumstances, sulphur and tin.

While the new Agreement resembles the 1937 International Sugar Agreement, successor to the Brussels Agreement of 1931 (neither of which was conspicuously successful) in its general method of administration and in establishing basic export quotas adjustable annually to meet world market needs, it differs in some important respects.

### Highlights of New Agreement

The 1953 Agreement goes farther in the control of price, fixing a minimum price of 3·25 and a maximum of 4·35 cents per pound, f.a.s. Cuban port, and provides for maintenance of these prices through quota changes. Thus, should the world price fall below 3·25 cents for 15 consecutive days, the Sugar Council shall, within ten days of the end of such 15-day period, make such reduction as it deems necessary in the export quotas in effect, *pro rata* to the basic export tonnages. If, within the said ten days, the Council cannot agree on the amount of reduction, automatic cuts of five per cent up to a maximum of 20 per cent will take effect until the price climbs back to the Agreement's minimum.

This process will be reversed should prices go over 4·35 cents for 15 consecutive days. In this instance, the Council is not bound to wait for a price spill-over if, in its judgment, the market needs quota increases. Such quota increases are to be made and awarded on a priority basis—first Cuba, followed by Poland, Haiti, Czechoslovakia, and Hungary.

The Agreement requires exporters to carry immediately available large stocks with which the Council can control prices. In the interests of both exporters and importers it provides assurances against competition from non-signers of the Agreement through limitations on sales to or purchases from the latter.

The general principles of the Agreement were stated in 1950 and the modified draft of 1952 adopted by the United Nations in May 1953. It remained to determine the figure for the "free world market" and to fix exporters' quotas, and this was done at London in August.

For the purposes of the Agreement, the continental U.S. market* and the markets under the British Commonwealth Sugar Agreement and existing sugar agreements among certain European countries** were excluded from the free world market, thus reducing very considerably the sale of sugar in these areas to the Agreement's signers.

Export quotas claimed by participants in the August text discussions at London totalled seven million metric tons. Reduced by agreement to five million, these quotas were subsequently set at a total of 5,390,000 metric tons and this tentative figure was accepted as the "free world market". Cuba, as the leading producer and exporter, was allotted the biggest quota—about 42 per cent of the market.

The abstention of such important producers and exporters as Peru, Indonesia, and East Germany, who combined could perhaps supply nearly one million tons, forced further reduction at the end of December in the signers' quotas in the interests of price maintenance. Major exporters—over 50,000 tons—were cut 15 per cent and lesser exporters 10 per cent; the total of quotas for the 16 exporting countries who signed the Agreement then moved down from about 4,665,000 to about 3,930,000 metric tons.

### Effect on Cuban Economy

In signing the Agreement, it is clear that Cuba has adopted the better of two difficult alternatives. The quota allotted to her represents a shrinkage in world market opportunity of over half a million tons. On the other hand, to continue high production in competition with other producers whose output is steadily increasing would perhaps force an even more serious price slide. Support of the Agreement indicates a policy of slowing down the Cuban sugar industry from its previous gallop to a more circumspect walk and to promoting agricultural and industrial diversification energetically.

In this situation of increased competition in sugar, Cuba has additional cause for concern in the growing anti-obesity campaign in the United States. In that country, the growth of understanding of the relation between calories and health has recently brought a flood of low-calorie, sugar-free foods, preserves and beverages onto the market. The inroads made by these sugar-free foods and synthetic sweeteners have aroused the concern of sugar trade and industry groups in both the United States and Cuba. These groups are now organizing to combat the threat to sugar consumption of these chemical sweeteners and of sedulous anti-sugar advertising. In Cuba, a recent government decree—No. 3106—amending the Pure Food Law forbids the use of any synthetic sweetener in food or drink for public sale or its import for such purpose.

---

* The anchor to Cuba's sugar sales is its position in the U.S. quota system. The U.S. Sugar Act of 1948 specifies absolute quotas totalling about 4·4 million short tons, raw value, for domestic sugar-producing areas, together with a further approximate 975 thousand tons for the Philippines under the Philippines Trade Act of 1946. Cuba receives about 90 per cent of the remaining consumption requirements—(this total requirements figure is announced annually by the Secretary of Agriculture)—but is assured minimum participation of between approximately 28 and 31 per cent, as the U.S. total declared requirements vary between 7·5 and 8 million short tons. Cuba also shares in the reallocation of supply deficits from any U.S. domestic areas and receives 95 per cent of any deficit in the supply of sugar from the Philippines. For 1954, U.S. Secretary of Agriculture announced U.S. requirements as initially 8 million short tons. Quotas allotted in this total were: U.S. mainland and insular beet and cane, 4·4 million; Philippines, 974 thousand; Latin America, 98,000; other 6,000; and Cuba 2,478,720 short tons. Cuba enjoys a tariff advantage of nearly 27 per cent over other foreign sugar exporters to the U.S.

** Excluded from the ISA are movements of sugar between Benelux, the French Union, and the Federal Republic of Germany; between the French Union and the Associated States of Cambodia, Laos and Vietnam; and exports of sugar from Czechoslovakia and Poland to the USSR.

The outlook for Cuba's sugar in these circumstances is, at the moment, not one of continuously expanding world markets. Some observers see indications that, in the next year or two, barring exceptional events, production may even have to be further trimmed. The problem for Cuba now would seem to be how to control output to fill her United States and Agreement quotas in 1954 and yet not produce so much that in 1955, when her market may have diminished sensibly, the adjustment will be difficult.

# trade and tariff regulations

### Austria

IMPORT POSSIBILITIES IMPROVED—More information is now available concerning imports into Austria from Canada under that country's new foreign trade law which came into force on August 20, 1953, (see *Foreign Trade* of October 3, 1953).

The list of goods which may be imported into Austria without an import licence was enlarged. Among the items added to this list Canadian exporters may be interested in fish oils, paraffin wax, lubricants, caustic soda, amyl and butyl alcohol. Further, the following are among the commodities which did not require a licence before the new law was introduced and which continue to enter without a licence: non-ferrous metals other than aluminum, lead or mercury; zinc spelter; lead ore; linseed oil, and fresh lobsters.

Although imports of the above goods do not require a licence, the necessary foreign exchange allocations must be secured from the Austrian National Bank. As Austria's foreign exchange holdings have lately increased considerably, allocations should be granted more freely for these imports—Berne, Jan. 12.

### Dominica

FOODSTUFFS RETURNED TO PRIVATE TRADE—The *Official Gazette* announces that flour, codfish and rice will no longer be bulk purchased by the Government of Dominica. Effective January 1, 1954, they will move through commercial trade channels—Port-of-Spain, Jan. 8.

### Ireland

IMPORT CONTROL—By seven Orders of the Government of the Republic of Ireland, issued under the Control of Imports Acts, 1934 and 1937, further quotas and quota periods have been announced as follows:

*Pneumatic tires for motor vehicles:* 8,000 articles for the period February 1, 1954 to July 31, 1954, as against 5,000 articles for the previous six months' period.

*Pneumatic tires for bicycles:* 23,000 articles for the period February 1, 1954 to July 31, 1954, as against 17,000 articles for the previous six months' quota.

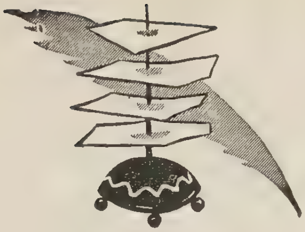
*Certain rubber boots and shoes:* 50,000 pairs for the period February 1, 1954 to January 31, 1955. This quota is unchanged from the previous period.

*Certain woven tissues of wool or worsted and certain artificial silk piece goods:* 750 thousand square yards for the period March 1, 1954 to August 31, 1954. Previous six months' quota was fixed at 300 thousand square yards.

*Inner tubes for motor vehicle tires:* 6,000 articles, as against 4,000 articles for previous six months. The quota period fixed extends from February 1, 1954 to July 31, 1954.

*Inner tubes for bicycle tires:* 12,000 articles for the period February 1, 1954 to July 31, 1954. Quota unchanged from previous six months.

*Certain heeled rubber shoes:* 5,000 pairs for the period February 1, 1954 to January 31, 1955. This quota is unchanged from previous period—Dublin, Jan. 4.



# general notes

## Argentina

MOTOR SCOOTER INDUSTRY—According to a press notice in *La Prensa,* the manufacturers in Italy of the Lambretta motor scooter have come to an agreement with the Argentine Government to make them in this country. The manufacture will be undertaken by a company already prominent in the refrigerator industry. Until the various processes can be adequately established, the main operation will be assembly of component parts imported from Italy. Production was expected to begin this month and the initial schedule provides for 20,000 units—Buenos Aires, Jan. 11.

## Australia

NEW FACTORY UNIT OPENED—A new £500 thousand factory has been opened at Bankstown near Sydney by British Paints (Aust.) Pty. Ltd. The factory stands on ten acres of land and includes research laboratories and administration buildings. The Premier announced at the opening of this factory that there have been 10,000 new factories built in New South Wales since 1939, providing work for 140,200 persons—Sydney, Jan. 4.

## Brazil

NEW ASPHALT INDUSTRY—According to the *Diario Oficial,* the National Petroleum Council is negotiating with the Standard Oil Company of California and its subsidiary, the International Bitumen Emulsion Corporation, for the setting-up of an asphalt industry near São Paulo, capable of producing 90,000 tons a year. Crude oil would be imported from Maracaibo, Venezuela. Although details have not yet been announced, it is believed that the factory would entail a total investment of 40 million cruzeiros, of which the American company would put up $900 thousand. Standard Oil of California is also said to be prepared to finance all outlays in dollars for a period of five years, provided the National Petroleum Council undertakes to purchase 2,000 drums of crude oil a day from Venezuela during the same period. Transport would be made by the national tanker fleet—São Paulo, Jan. 18.

## Cuba

TEXTILE EXHIBITION—A permanent exhibition, located in the Ministry of Agriculture Building, has been opened. Emphasis is on the textile and garment industries, and the exhibits include the various types of textiles and garments made in Cuba. Among these are cotton and synthetic yarns and fabrics, lingerie, hosiery, shirting, etc. The Cuban textile and garment industries employ some 37,000 workers. During the last few years, imports have averaged 50 million yards of cotton textiles and 30 million yards of synthetic yarn fabrics. The Cuban Textile Association has indicated that more adequate tariff protection would tend to lessen imports and encourage greater production—Havana, Jan. 18.

## Jamaica

CONSTRUCTION TENDERS—The Jamaican Government has issued invitations for tenders for the construction of improvements to the Palisadoes Airport. By re-alignment, it is intended to create a 7,200-foot runway and make other ancillary improvements. The matter has been under study for 18 months and government estimates place the expenditure at £1 to £1½ million sterling—Kingston, Jan. 14.

## South Africa

SALT PRODUCTION PLANNED—New machinery is being installed at Coega where it is claimed that salt equal in quality to any in the world will be produced. The plant will have a capacity of 30,000 tons a year but it is expected that production will be limited for the present to 20,000 tons. The process will provide chemical by-products from the sea and will result in the saving of large amounts of foreign exchange; at present large quantities of industrial salt have to be imported. Foreign technicians will supervise the process—Cape Town, Jan. 14.

*The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.*

Conversion into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·02860.

# foreign exchange rates

| Country | Unit | Type of Exchange | Canadian dollar equiv. Jan. 21 | Notes (See below) |
|---|---|---|---|---|
| Argentina | Peso | Preferential buying | ·1296 | |
| | | Basic buying | ·1944 | |
| | | Preferential selling | ·1944 | (1) |
| | | Basic selling | ·1296 | |
| | | Free | ·06998 | |
| Austria | Schilling | | ·03739 | |
| Australia | Pound | | 2·1875 | |
| Belgium Luxembourg & Belgian Dependencies | Franc | | ·01946 | |
| Bolivia | Boliviano | Official | ·00512 | |
| British West Indies | Dollar | | ·5697 | (3) |
| | Pound | | 2·7344 | (4) |
| | Dollar | Brit. Honduras | ·6835 | |
| Brazil | Cruzeiro | Official selling | ·05165 | tax 8% |
| | | Effective buying | ·03428 | (2) |
| | | Coffee buying | ·04162 | (5) |
| Burma | Kyat | | ·2042 | |
| Ceylon | Rupee | | ·2051 | |
| Chile | Peso | Official | ·00884 | (1) |
| Colombia | Peso | Basic | ·3889 | |
| Costa Rica | Colon | Official | ·1731 | (6) |
| | | Controlled free | ·1464 | |
| Cuba | Peso | | ·9722 | tax 2% |
| Czechoslovakia | Koruna | | ·1350 | |
| Denmark | Krone | | ·1408 | |
| Dominican Republic | Peso | | ·9722 | |
| Ecuador | Sucre | Official | ·06482 | (7) |
| | | Free | ·05597 | |
| Egypt | Pound | | 2·7917 | |
| Fiji | Pound | | 2·4634 | |
| Finland | Markka | | ·00423 | |
| France | Franc | | ·00278 | |
| French Africa | Franc | | ·00556 | |
| French Pacific | Franc | | ·01528 | |
| Germany | D Mark | | ·2315 | |
| Greece | Drachma | | ·000032 | |
| Guatemala | Quetzal | | ·9722 | |
| Haiti | Gourde | | ·1944 | |
| Honduras | Lempira | | ·4861 | |
| Hong Kong | Dollar | Free | ·1662 | *Jan. 8 |
| Iceland | Krona | Official | ·05970 | |
| | | Special buying | ·04596 | |
| | | Special selling | ·03703 | |
| India | Rupee | | ·2051 | |
| Indonesia | Rupiah | Basic | ·08528 | (8) |
| Iran | Rial | Official | ·03014 | |
| | | Certificate | ·01010 | |
| Iraq | Dinar | | 2·7221 | |

---

* Latest available quotation date.

| Country | Unit | Type of Exchange | Canadian dollar equiv. Jan. 21 | Notes (See below) |
|---|---|---|---|---|
| Ireland | Pound | | 2·7344 | |
| Israel | Pound | Effective basic | ·9722 | |
| | | Premium | ·5401 | (9) |
| Italy | Lira | | ·00156 | |
| Japan | Yen | | ·00270 | |
| Lebanon | Pound | Free | ·3050 | |
| Mexico | Peso | | ·1124 | |
| Netherlands | Guilder | | ·2569 | |
| Netherlands Antilles | Guilder | | ·5155 | |
| New Zealand | Pound | | 2·7344 | |
| Nicaragua | Cordoba | Effective buying | ·1473 | (10) |
| | | Official selling | ·1378 | |
| | | With Surcharge I | ·1207 | |
| | | With Surcharge II | ·09673 | |
| Norway | Krone | | ·1361 | |
| Pakistan | Rupee | | ·2938 | |
| Panama | Balboa | | ·9722 | |
| Paraguay | Guarani | Basic | ·06482 | (1) |
| | | With Surcharge I | ·04629 | (11) |
| | | With Surcharge II | ·03240 | |
| Peru | Sol | Certificate | ·04839 | |
| Philippines | Peso | | ·4861 | tax 17% (2) |
| Portugal | Escudo | | ·03393 | |
| El Salvador | Colon | | ·3889 | |
| Singapore & Malaya | Straits dollar | | ·3190 | |
| South Africa (Union of) | Pound | | 2·7344 | |
| Spain & Dependencies | Peseta | Basic buying | ·04439 | |
| | | Basic selling | ·08664 | |
| | | Basic commercial selling | ·05918 | (1) |
| | | Free | ·02496 | |
| Sweden | Krona | | ·1879 | |
| Switzerland | Franc | | ·2267 | |
| Syria | Pound | Free | ·2722 | *Dec. 11 |
| Thailand | Baht | Official | ·07777 | (1) |
| | | Free | ·04759 | *Nov. 21 |
| Turkey | Lira | | ·3472 | |
| United Kingdom | Pound | | 2·7344 | |
| United States | Dollar | | ·9722 | |
| Uruguay | Peso | Official | ·6400 | |
| | | Basic buying | ·5461 | |
| | | Special buying | ·4136 | (1) |
| | | Basic selling | ·5116 | |
| | | Special selling | ·3968 | |
| Venezuela | Bolivar | | ·2902 | (12) |
| Yugoslavia | Dinar | | ·00324 | |

* Latest available quotation date.

# notes

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Brazil: Effective import rate is official rate plus free certificate rate. Certificate rate varies according to commodity.
6. Costa Rica: Official rate applies to all Costa Rican exports.
7. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
8. Indonesia: Basic rate applies to all exports and essential imports. Rupiah value for other than essential imports is reduced by $33\frac{1}{3}$ per cent, 100 per cent or 200 per cent depending on product.
9. Israel: An additional rate of 1 Israeli pound equals U.S. $2.80 applies to imports of wheat and sugar only.
10. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
11. Paraguay: Basic rate applies to most Paraguayan exports.
12. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11, 1952.

# foreign trade service abroad

* No Foreign Trade Officer at this post.
Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

| Territory | Officer | City Address | Mail and Cables, Office Telephone |
|---|---|---|---|
| **Argentina** | C. S. Bissett,<br>Commercial Counsellor | Canadian Embassy,<br>Bartolome Mitre 478,<br>Buenos Aires | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* 33-8237 |
| | W. F. Hillhouse,<br>Agricultural Secretary | | |
| **Australia**<br>(Capital Territory, New South Wales, Queensland, Northern Territory)<br>Dependencies | C. M. Croft,<br>Commercial Counsellor for Canada | City Mutual Life Building,<br>60 Hunter Street,<br>Sydney | *Mail:*<br>P.O. Box 3952 G.P.O.<br>*Cable:* Canadian<br>*Tel.:* BW 9351 |
| | C. M. Forsyth-Smith,<br>Assistant Commercial Secretary | | |
| Australia<br>(Victoria, South Australia, Western Australia, Tasmania) | R. W. Blake,<br>Commercial Secretary for Canada and Agricultural Secretary | 83 William Street,<br>Melbourne | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* MU 4716 |
| **Belgian Congo**<br>Angola, French Equatorial Africa | A. B. Brodie,<br>Canadian Government Trade Commissioner | Forescom Building,<br>Leopoldville 1. | *Mail:*<br>Boîte Postale 373<br>*Cable:* Canadian<br>*Tel.:* 2706 |
| **Belgium**<br>Luxembourg | T. J. Monty,<br>Commercial Secretary | Canadian Embassy,<br>35 rue de la Science,<br>Brussels | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* 11-33-88 |
| | K. G. Ramsay,<br>Assistant Commercial Secretary | | |
| **Brazil** | C. J. Van Tighem,<br>Commercial Secretary | Canadian Embassy,<br>Edificio Metropole,<br>Av. Presidente Wilson 165,<br>Rio de Janeiro | *Mail:*<br>Caixa Postal 2164<br>*Cable:* Canadian<br>*Tel.:* 42-4140 |
| | T. F. Harris,<br>Assistant Commercial Secretary | | |
| Brazil | M. P. Carson,<br>Vice Consul and Acting Trade Commissioner | Canadian Consulate,<br>Edificio Alois,<br>Rua 7 de Abril 252,<br>Sao Paulo | *Mail:*<br>Caixa Postal 6034<br>*Cable:* Canadian<br>*Tel.:* 36-6301 |
| ***Ceylon** | Office of the High Commissioner for Canada | 6 Gregory's Road,<br>Cinnamon Garden,<br>Colombo | *Mail:* P.O. Box 1006<br>*Cable:* Domcan<br>*Tel.:* 5876 |
| **Chile** | Commercial Secretary | Canadian Embassy,<br>6th Floor,<br>Av. General Bulnes, 129,<br>Santiago | *Mail:* Casilla 771<br>*Cable:* Canadian<br>*Tel.:* 64189 |
| **Colombia**<br>Ecuador | W. J. Millyard,<br>Commercial Secretary | Canadian Embassy,<br>Avenida Jimenez No. 7-25,<br>Office 613,<br>Bogota | *Mail:* Apartado 1618<br>*Airmail:*<br>Apartado Aereo 3562<br>*Cable:* Canadian<br>*Tel.:* 12-251 |
| | J. P. Lancaster,<br>Assistant Commercial Secretary | | |
| **Cuba** | G. A. Browne,<br>Commercial Secretary | Canadian Embassy,<br>Edificio Motor Centre,<br>Calle Infanta 16,<br>Havana | *Mail:* Apartado 1945<br>*Cable:* Canadian<br>*Tel.:* UO-9457 |
| | W. R. Van,<br>Assistant Commercial Secretary | | |

| Territory | Officer | City Address | Mail and Cables, Office Telephone |
|---|---|---|---|
| **Dominican Republic**<br>Haiti, Puerto Rico | R. E. Gravel,<br>Canadian Government<br>Trade Commissioner | Edificio Copello 408,<br>Calle El Conde,<br>Ciudad Trujillo | *Mail:* Apartado 451<br>*Cable:* Canadian<br>*Tel.:* 5318 |
| Dominican Republic<br>Haiti, Puerto Rico<br>Jamaica | E. M. Gosse,<br>Canadian Trade<br>Commissioner (Fisheries) | | |
| **Egypt**<br>Aden, Sudan, Cyprus,<br>Ethiopia,<br>Saudi Arabia | A. G. Kniewasser,<br>Acting<br>Canadian Government<br>Trade Commissioner | Osiris Building,<br>Sharia Walda,<br>Kasr-el-Doubara,<br>Cairo | *Mail:* P.O. Box 1770<br>*Cable:* Canadian<br>*Tel.:* 23110 |
| **France**<br>Algeria, French<br>Morocco, French West<br>Africa, Tunisia | B. C. Butler,<br>Commercial Counsellor<br>for Canada | 3 rue Scribe,<br>Paris | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* OPEra 42-30 |
| | L. A. Campeau,<br>Assistant Commercial<br>Secretary | | |
| | J. H. Stone,<br>Asssistant Commercial<br>Secretary | | |
| **Germany**<br>Federal Republic | B. A. Macdonald,<br>Commerical Counsellor | Canadian Embassy,<br>22 Zitelmannstrasse,<br>Bonn | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* Bonn 21971 |
| | I. V. Macdonald,<br>Assistant Commercial<br>Secretary | | |
| Germany | Wm. Van Vliet,<br>Agricultural Secretary | | |
| **Greece**<br>Israel, Turkey | H. W. Richardson,<br>Commercial Secretary | Canadian Embassy,<br>31 Vassilissis Sophias Ave.,<br>Athens | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* 72-853 |
| **Guatemala**<br>Costa Rica, El<br>Salvador, Honduras,<br>Nicaragua, Panama<br>and Canal Zone | J. C. Depocas,<br>Canadian Government<br>Trade Commissioner | 28, 5a Avenida Sud,<br>Guatemala City | *Mail:* P.O. Box 444<br>*Airmail:* P.O. Box 400<br>*Cable:* Canadian<br>*Tel.:* 5590 |
| | G. A. Cooper,<br>Assistant Trade<br>Commissioner | | |
| **Hong Kong**<br>China, Indo-China,<br>Macao, Taiwan | T. R. G. Fletcher,<br>Canadian Government<br>Trade Commissioner | Hong Kong and Shanghai<br>Banking Corporation Bldg.,<br>Hong Kong | *Mail:* P.O. Box 126<br>*Cable:* Canadian<br>*Tel.:* 28336 |
| | M. B. Blackwood,<br>Assistant Trade<br>Commissioner | | |
| **India** | Richard Grew,<br>Commercial Counsellor | Office of the<br>High Commissioner for Canada.<br>4 Aurangzeb Road,<br>New Delhi | *Mail:* P.O. Box 11<br>*Cable:* Canadian<br>*Tel.:* 40191 |
| India | D. M. Holton,<br>Canadian Government<br>Trade Commissioner | Gresham Assurance House,<br>Mint Road,<br>Bombay | *Mail:* P.O. Box 886<br>*Cable:* Canadian<br>*Tel.:* 20672 |
| | W. P. Birmingham,<br>Assistant Trade<br>Commissioner | | |

| Territory | Officer | City Address | Mail and Cables, Office Telephone |
|---|---|---|---|
| **Indonesia** | W. D. Wallace,<br>Commercial Secretary | Canadian Embassy,<br>Tanah Abang Timur 2,<br>DJAKARTA | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* Gambir 499 |
| **Ireland** | T. G. Major,<br>Commercial Counsellor | Canadian Embassy,<br>66 Upper O'Connell St.,<br>DUBLIN | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* 44251 |
| **Italy**<br>Libya, Malta,<br>Yugoslavia | S. G. MacDonald,<br>Commercial Counsellor | Canadian Embassy,<br>Via Saverio Mercadante 15,<br>ROME | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* 846-842 |
| | A. A. Caron,<br>Assistant Commercial<br>Secretary | | |
| Italy | C. F. Wilson,<br>Agricultural Counsellor | | |
| Italy | M. S. Strong,<br>Commercial Secretary<br>(Fisheries) | | |
| **Jamaica**<br>Bahamas,<br>British Honduras | M. B. Palmer,<br>Canadian Government<br>Trade Commissioner | Canadian Bank of<br>Commerce Chambers,<br>KINGSTON | *Mail:* P.O. Box 225<br>*Cable:* CANADIAN<br>*Tel.:* 2858 |
| **Japan**<br>Korea | J. C. Britton,<br>Commercial Counsellor | Canadian Embassy,<br>TOKYO | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* 48-4116 |
| | R. F. Renwick,<br>Assistant Commercial<br>Secretary | | |
| Japan | Paul Sykes,<br>Canadian Government<br>Trade Commissioner | KOBE | |
| **Lebanon**<br>Iraq, Jordan, Syria | G. F. G. Hughes<br>Canadian Government<br>Trade Commissioner | Centre Urbain Emir Beshir,<br>Bâtiment A1,<br>Rue Emir Beshir, L'Azarieh,<br>BEIRUT | *Mail:*<br>Bôite Postale 2300<br>*Cable:* CANADIAN |
| **Mexico** | M. T. Stewart,<br>Commercial Counsellor | Canadian Embassy,<br>Edificio Internacional,<br>Paseo de la Reforma,<br>MEXICO, D. F. | *Mail:*<br>Apartado 126-Bis<br>*Cable:* CANADIAN<br>*Tel.:* 36-27-90 |
| | S. G. Tregaskes,<br>Assistant Commercial<br>Secretary | | |
| **Netherlands** | V. L. Chapin,<br>Commercial Secretary | Canadian Embassy,<br>Sophialaan 1-A,<br>THE HAGUE | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* 18-51-06 |
| | W. G. Pybus,<br>Assistant Commercial<br>Secretary | | |
| Netherlands<br>Belgium, Denmark,<br>Luxembourg | C. J. Small<br>Acting<br>Agricultural Secretary | | |

| Territory | Officer | City Address | Mail and Cables, Office Telephone |
|---|---|---|---|
| **New Zealand**<br>Fiji, Western Samoa | L. S. Glass,<br>Commercial Counsellor | Office of the High Commissioner<br>for Canada, Government Life<br>Insurance Bldg.,<br>WELLINGTON | *Mail:* P.O. Box 1660<br>*Cable:* CANADIAN<br>*Tel.:* 70-644 |
| **Norway**<br>Denmark, Greenland | J. L. Mutter,<br>Commercial Secretary | Canadian Legation,<br>Fridtjof Nansens Plass 5,<br>OSLO | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* 33-30-80 |
| **Pakistan**<br>Afghanistan, Iran | R. K. Thomson,<br>Commercial Secretary | Office of the<br>High Commissioner for Canada,<br>Hotel Metropole, Victoria Rd.,<br>KARACHI | *Mail:* P.O. Box 3703<br>*Cable:* CANADIAN<br>*Tel.:* 5826 |
| **Peru**<br>Bolivia | H. J. Horne,<br>Commercial Secretary | Canadian Embassy,<br>Edificio Boza, Carabaya 831,<br>Plaza San Martin,<br>LIMA | *Mail:* Casilla 1212<br>*Cable:* CANADIAN<br>*Tel.:* 71150 |
| **Philippines** | F. H. Palmer,<br>Consul General<br>and Trade Commissioner | Canadian Consulate General,<br>Ayala Building,<br>Juan Luna Street,<br>MANILA | *Mail:* P.O. Box 1825<br>*Cable:* CANADIAN<br>*Tel.:* 3-33-35 |
|  | H. E. Lemieux,<br>Vice Consul and<br>Assistant Trade<br>Commissioner |  |  |
| **Portugal**<br>Azores, Madeira | L. M. Cosgrave,<br>Commercial Counsellor | Canadian Legation,<br>Avenida de Praia da Vitoria,<br>48—1°D.,<br>LISBON | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* 53117 |
| **Singapore**<br>Brunei, Burma,<br>Federation of<br>Malaya,<br>North Borneo,<br>Sarawak, Thailand | D. S. Armstrong,<br>Canadian Government<br>Trade Commissioner | Room D-5, Union Building,<br>SINGAPORE | *Mail:* P.O. Box 845<br>*Cable:* CANADIAN<br>*Tel.:* 7739 |
| **South Africa**<br>(Natal, Transvaal)<br>Federation of<br>Rhodesia and<br>Nyasaland,<br>Mozambique, Kenya,<br>Tanganyika,<br>Uganda, Zanzibar | K. F. Noble,<br>Canadian Government<br>Trade Commissioner<br>H. E. Campbell,<br>Assistant Trade<br>Commissioner | Mutual Building,<br>Harrison Street,<br>JOHANNESBURG | *Mail:* P.O. Box 715<br>*Cable:* CANTRACOM<br>*Tel.:* 33-2628 |
| South Africa<br>(Cape Province,<br>Orange Free State),<br>Southwest Africa,<br>Mauritius, Madagascar | A. W. Evans,<br>Canadian Government<br>Trade Commissioner | Grand Parade Centre Bldg.,<br>Adderley Street,<br>CAPE TOWN | *Mail:* P.O. Box 683<br>*Cable:* CANTRACOM<br>*Tel.:* 2-5134/5 |
| **Spain**<br>Balearic Islands,<br>Canary Islands,<br>Gibraltar, Rio de Oro,<br>Spanish Morocco,<br>Tangier | E. H. Maguire,<br>Commercial Secretary | Canadian Embassy,<br>Edifico España,<br>Avenida de Jose Antonio 88,<br>MADRID | *Mail:* Apartado 117<br>*Cable:* CANADIAN<br>*Tel.:* 22-28-10 |
| **Sweden**<br>Finland | F. W. Fraser,<br>Commercial Counsellor | Canadian Legation,<br>Strandvagen, 7-C,<br>STOCKHOLM | *Mail:* P.O. Box 14042<br>*Cable:* CANADIAN<br>*Tel.:* 67-92-15 |

| Territory | Officer | City Address | Mail and Cables, Office Telephone |
|---|---|---|---|
| **Switzerland**<br>Austria, Czechoslovakia, Hungary | Yves Lamontagne, Commercial Counsellor<br>W. R. Hickman, Assistant Commercial Secretary | Canadian Embassy,<br>Kirchenfeldstrasse 88,<br>BERNE | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* 4-63-81 |
| **Trinidad**<br>Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, French West Indies | P. V. McLane, Canadian Government Trade Commissioner<br>R. R. Parlour, Assistant Trade Commissioner | Colonial Building,<br>72 South Quay,<br>PORT-OF-SPAIN | *Mail:* P.O. Box 125<br>*Cable:* CANADIAN<br>*Tel.:* 34787 |
| **United Kingdom**<br>(South of England, East Anglia, Scotland), Iceland, British West Africa (Gambia, Gold Coast, Nigeria, Sierra Leone) | R. P. Bower, Commercial Counsellor<br>R. Campbell Smith, Commercial Secretary<br>T. M. Burns, Assistant Commercial Secretary | Office of the<br>High Commissioner for Canada,<br>Canada House,<br>Trafalgar Square,<br>LONDON, S.W.1 | *Mail:* (City Address)<br>*Cable:* SLEIGHING<br>*Tel.:* Whitehall 8701 |
| United Kingdom | D. A. B. Marshall, Commercial Secretary (Agricultural) | | |
| United Kingdom | G. H. Rochester, Commercial Secretary (Timber) | | *Cable:* TIMCOM |
| United Kingdom (Midlands, North England, Wales) | M. J. Vechsler, Canadian Government Trade Commissioner | Martins Bank Building,<br>Water Street,<br>LIVERPOOL | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* Central 0625 |
| United Kingdom (Northern Ireland) | T. G. Major, Canadian Government Trade Commissioner | 36 Victoria Square,<br>BELFAST | *Mail:* (City Address)<br>*Tel.:* 21867 |
| **United States**<br>Delaware, Maryland, Virginia, West Virginia | R. G. C. Smith, Commercial Counsellor<br>S. V. Allen, Commercial Counsellor | Canadian Embassy,<br>1746 Massachusetts Ave., N.W.<br>WASHINGTON, 6. D.C. | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* DEcatur 2-1011 |
| United States | Dr. W. C. Hopper, Agricultural Counsellor<br>W. L. Porteous, Assistant Agricultural Secretary | | |
| United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda | Deputy Consul General and Trade Commissioner<br>C. R. Gallow, Consul and Trade Commissioner<br>C. E. Butterworth, Vice Consul and Assistant Trade Commissioner | Canadian Consulate General,<br>620 Fifth Ave.,<br>NEW YORK CITY 20 | *Mail:* (City Address)<br>*Cable:* CANTRACOM<br>*Tel.:* JUdson 6-2400 |

| Territory | Officer | City Address | Mail and Cables, Office Telephone |
|---|---|---|---|
| United States | M. B. Bursey,<br>Consul and<br>Trade Commissioner<br>(Fisheries) | Canadian Consulate General,<br>620 Fifth Ave.,<br>New York City 20 | *Mail:* (City Address)<br>*Cable:* CANTRACOM<br>*Tel:* JUdson 6-2400 |
| United States<br>(Massachusetts, Main, Rhode Island, Vermont, New Hampshire) | D. H. Cheney,<br>Trade Commissioner | Canadian Consulate General,<br>532 Little Building,<br>80 Boylston Street,<br>Boston 16 | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* HAncock 6-4320 |
| United States<br>(Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri) | R. V. N. Gordon,<br>Trade Commissioner | Canadian Consulate General,<br>Chicago Daily News Bldg.,<br>400 West Madison Street,<br>Chicago 6 | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* STate 2-7312 |
| United States<br>(Michigan, Ohio) | A. E. Bryan,<br>Consul and<br>Trade Commissioner<br>J. H. Bailey,<br>Vice Consul and Assistant Trade Commissioner | Canadian Consulate,<br>1035 Penobscot Building,<br>Detroit 26 | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* WOodward 5-2811 |
| *United States<br>(City of Los Angeles, Southern California, Arizona) | Consul General | Canadian Consulate General,<br>510 West Sixth Street,<br>Los Angeles 14 | *Mail:* (City Address)<br>*Tel.:* VAndike 7114 |
| United States<br>(Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida) | G. A. Newman,<br>Consul and<br>Trade Commissioner<br>C.O.R. Rousseau,<br>Vice Consul and<br>Assistant Trade<br>Commissioner | Canadian Consulate,<br>215-217 International Trade Mart,<br>New Orleans 12 | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* RAymond 2136 |
| *United States<br>(Northern California. Wyoming, Nevada, Utah, Colorado, New Mexico), Hawaii | Consul General | Canadian Consulate General,<br>3rd Floor, Kohl Building,<br>400 Montgomery Street,<br>San Francisco 4 | *Mail:* (City Address)<br>*Tel.:* SUtter 1-3039 |
| *United States<br>(Oregon, Idaho, Washington, Montana), Alaska | Consul General | Canadian Consulate General,<br>The Tower Building<br>Seventh Avenue at Olive Way,<br>Seattle 1, Washington | |
| **Uruguay**<br>Paraguay | W. Gibson-Smith,<br>Commercial Secretary | Canadian Embassy,<br>Montevideo | *Mail:*<br>Casilla Postal 852<br>*Cable:* CANADIAN |
| **Venezuela**<br>Netherlands Antilles | J. A. Stiles,<br>Commercial Secretary<br>F. B. Clark,<br>Assistant Commercial<br>Secretary | Canadian Embassy,<br>Edificio Pan American,<br>Puente Urapal,<br>Caracas | *Mail:* Apartado 3306<br>*Cable:* CANADIAN<br>*Tel.:* 55818 |
| Venezuela<br>Colombia | D. B. Laughton,<br>Acting Agricultural<br>Secretary | | |

# businessman's bookshelf

## Meet Thailand

*The Mercantile Bank of Canada. 12 pages. Free.*

FIRST IN A SERIES designed to give Canadians "a greater knowledge of Asia and its trading opportunities", this booklet sets a sound pattern for its successors. Thailand includes within its 198 thousand square miles five distinct economic regions and three racial groups, and these are briefly described. The section on foreign trade and on the somewhat complicated exchange rates will prove helpful to traders. The Mercantile, Canada's newest chartered bank, is an affiliate of the Nationale Handelsbank N.V., which has had a long experience in Southeast Asia.

*Order from: The Mercantile Bank of Canada, 495 Victoria Square, Montreal, Quebec.*

## The Sterling Area

*By A. R. Conan. 172 pages. $2.75. Macmillan Co. of Canada Ltd., Toronto, Ontario.*

THIS BOOK would probably be more useful to those working on international financial matters than to the Canadian exporter. It analyzes the sterling area as it has developed in recent years and the problems which confront it. Many sections of the book are well developed and of considerable value, particularly the chapters describing the balance of payments of individual sterling area countries and of the area as a whole. The book does not deal as adequately with the sterling-dollar problem nor, of course, does it provide information on the important developments which have taken place over the last year.

*Order from: Macmillan Co. of Canada Ltd., Toronto, Ontario.*

## Doing Business Abroad

*U.S. Council, International Chamber of Commerce. 12 pages. 25 cents.*

THE COMMITTEE ON FOREIGN ESTABLISHMENTS of the U.S. Council of the International Chamber of Commerce has undertaken a thorough study of methods open to the businessman anxious to extend his operations to foreign countries, and of the obstacles he may encounter. It has set down its findings here, not as the final word on the subject, but as a guide along the way.

The booklet begins with a list of questions about the laws concerning business in any foreign country—questions which a prospective international investor should consider. It then takes up the various methods of doing business, such as through an export broker, an exclusive distributor, agency, foreign company, royalty contracts, etc. The third section discusses some of the obstacles in the path—exchange restrictions, tariffs, power to tax, labour laws and practices, danger of confiscation, etc. The Committee has confined itself strictly to facts and kept away from the policy-making field.

*Order from: U.S. Council, International Chamber of Commerce, Inc., 103 Park Avenue, New York 17, N.Y.*

## Newsprint in World Affairs

*By J. M. Smith. 18 pages. 15 cents.*

IN 1952, Canada produced 5·7 million tons of newsprint (53·7 per cent of world supply) compared with 175 thousand tons back in 1911. Some 4·8 million tons went to one customer only—the United States. Will this U.S. newsprint market hold up or will competition from television force a reduction in the size of American newspapers? What abou newsprint demand in other countries? And wil Canada's forests stand the strain if the up-tren continues?

In this addition to the CIIA's "Behind the Headlines" series, the secretary of the Pulp Section, Canadian Pulp and Paper Association, discusses these an other pertinent questions. He buttresses his stud with statistical tables and reaches conclusions tha Canadians should, in the main, find reassuring Naturally, he can supply no accurate informatio about newsprint production in Russia and the pace expansion.

*Order from: The Canadian Institute of Inter national Affairs, 230 Bloor Street W., Toront Ontario.*

"Seeing is believing" they say, but it may be easier said than done. Obviously you can't be everywhere to see for yourself, so you rely on what you read in newspapers, magazines and books.

But no one has coined the phrase "reading is believing," because you can't always believe what you read. Businessmen, who often base important decisions on what they read, have to pick a source of information they can trust.

That's why many Canadian businessmen read FOREIGN TRADE, the Department of Trade and Commerce magazine. It contains market and trade reports from Canadian Trade Commissioners in more than fifty offices abroad—the world of international business as seen through Canadian eyes.

**foreign trade**

*the business world through Canadian eyes*

Supervisor of Publications,
Department of Public Printing & Stationery,
Ottawa, Canada.

Please send me FOREIGN TRADE for one year
Enclosed is my cheque/money order for $2* made payable to the Receiver General of Canada.

*Name*____________________

*Address*____________________

____________________

*$3.50 a year outside Canada

**DEPARTMENT OF TRADE AND COMMERCE - OTTAWA, CANADA**

FEBRUARY 20, 1954

# foreign trade

CANADA'S TRADE IN 1953 (page 2)

2 Canada's Trade in 1953
5 Markets for Canadian Fish
7 Vancouver: Canada's Second Port
9 Commodity Notes
11 Agricultural Policy and the United States Government
14 The Rural South
16 France Improves Its Trading Position
18 French Overseas Territories: a Blueprint for the Future
21 Canada at the Utrecht Fair
23 Surinam and Trade Opportunities
25 General Notes
26 Mexico Experiences a Mild Recession
28 Japan Buys Wheat and Barley
29 Dollar Allocations for Japanese Imports
30 Trade and Tariff Regulations
31 Anglo-Japanese Trade Agreement
32 Foreign Exchange Rates
34 Foreign Commercial Representatives in Canada

# foreign trade

Established in 1904
Published fortnightly by the Department of Trade and Commerce.
The Right Honourable C. D. HOWE, Minister,
and WM. FREDERICK BULL, Deputy Minister.

**OTTAWA, FEBRUARY 20, 1954, Vol. 101, No. 2**

Please forward all subscriptions and orders to:
The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad.
Single copies: 20 cents each.

Material appearing in this magazine may be freely reprinted, preferably giving credit to "Foreign Trade"

**cover** Newsprint paper took first place among Canada's exports in 1953, outdistancing wheat, the leader last year. Photo shows dried sheets of pulp being broken up in a beater in preparation for the paper machine. (See story on page 2.) —Photo by Malak

# Canada's Trade in 1953

*The 1952 export balance of $325 million turned, in 1953, into an import balance of $215 million. What influences brought about this change and how was trade with particular countries and in particular commodities affected?*

L. A. SHACKLETON, *Balance of Payments Section, Dominion Bureau of Statistics.*

CANADA'S TRADE IN 1953 was marked by a further substantial rise in commodity imports, which reached some 9 per cent above their 1952 value. As in recent years, investment goods led this increase: purchases of industrial machinery, farm machinery, and many consumers' durables seem to have established new records and those of most industrial materials and "soft" consumers' goods (especially textiles) were very high. During the third quarter, however, imports slowed down considerably and in the fourth quarter not only failed to show their usual seasonal increase but even fell below the level of the final quarter of 1952.

Exports were only about 4 per cent lower in value in 1953 than in 1952. During the second and third quarters their value and volume differed little from 1952, but in the first quarter they were more than seasonally low and, like imports, in the fourth quarter they failed to show the usual seasonal increase. Smaller shipments of wheat and other grains to overseas countries were the principal influence reducing exports in the fourth quarter.

## Import Balance Resulted

The increase in imports, together with the small decrease in exports, produced an *import balance* of $215 million on trade in 1953. Though this balance, like those in other recent years, was small in relation to Canada's total trade, it nevertheless contrasts sharply with the 1952 *export balance* of $325 million. However, it must be remembered that the export balance of 1952 reflected very largely the extremely sharp fall in import prices from mid-1951 to mid-1952. No such factor dominated the trade results in 1953 and an import balance, which has characterized much of the period since early 1950, reappeared.

**Summary Statistics of Canadian Trade**

| | *1951* | *1952* | *1953* | *Change, 1952 to 1953* |
|---|---|---|---|---|
| | | $'000,000 | | % |
| Value of Trade: | | | | |
| Total Exports | 3,963 | 4,356 | 4,173 | −4·2 |
| Total Imports | 4,085 | 4,030 | 4,387* | +8·9 |
| Trade Balance | −121 | +325 | −215* | ........ |
| Price Indexes: | | | | |
| | 1948=100 | | | |
| Exports | 123·0 | 121·8 | 118·7* | −2·5 |
| Imports | 126·2 | 110·3 | 109·7† | −0·5 |
| Terms of Trade | 97·5 | 110·4 | 108·2† | −2·0 |

---

* Preliminary.
† Estimated.

## Prices Showed Little Change

For the first time since 1949, price changes did not have an important influence on trade results in 1953. Import prices averaged less than 1 per cent below their 1952 level and export prices declined by less than 3 per cent. The terms-of-trade ratio was slightly lower than in 1952; nevertheless, relatively low and stable import prices may have stimulated imports. Changes in the volume of exports and imports resembled their changes in value—exports declined by less than 2 per cent and imports increased by more than 9 per cent.

Although an import balance on commodity trade reappeared and was the principal factor in creating a substantial current account deficit in Canada's international accounts in 1953, the foreign exchange value of the Canadian dollar changed little. As in 1950 and 1951, the inflow of investment capital from the United States and elsewhere was sufficient to offset the trade deficit. The heavy investment in resource development and in other sectors of the Canadian economy in recent years, financed in part by foreign capital, has contributed greatly to the achievement of record levels of personal income and consumption in Canada. Heavy investment and consumer spending has, in turn, led to an unprecedented level of imports. To the extent that foreign capital has contributed to the investment and income boom in Canada, it has contributed to as well as financed the import deficit.

The share of overseas markets in Canadian exports fell off in 1953. Shipments to the United Kingdom, to other Commonwealth and European countries and to Latin America declined in value and formed a smaller proportion of total exports than in 1952. A reduced demand for Canadian grains because of better crops

## Direction of Canadian Trade

| | 1951 | 1952 | 1953 | 1951 | 1952 | 1953 |
|---|---|---|---|---|---|---|
| | Value in $'000,000 | | | % of Total | | |
| Total Exports to: | | | | | | |
| United States | 2,333·9 | 2,349·0 | 2,463·1 | 58·9 | 53·9 | 59·0 |
| United Kingdom | 635·7 | 751·0 | 668·9 | 16·0 | 17·3 | 16·0 |
| Other Commonwealth and Ireland | 264·3 | 287·6 | 247·8 | 6·7 | 6·6 | 6·0 |
| Other Europe | 347·4 | 475·8 | 372·7 | 8·7 | 10·9 | 8·9 |
| Latin America | 208·9 | 273·6 | 199·0 | 5·3 | 6·3 | 4·8 |
| Others | 173·1 | 218·9 | 221·2 | 4·4 | 5·0 | 5·3 |
| Total Imports from: | | | | | | |
| United States | 2,812·9 | 2,977·0 | 2,729·9* | 68·9 | 73·9 | 73·9* |
| United Kingdom | 421·0 | 359·8 | 376·2* | 10·3 | 8·9 | 10·2* |
| Other Commonwealth and Ireland | 306·9 | 185·2 | 144·8* | 7·5 | 4·6 | 3·9* |
| Other Europe | 177·1 | 151·3 | 141·5* | 4·3 | 3·8 | 3·8* |
| Latin America | 273·7 | 284·2 | 242·7* | 6·7 | 7·0 | 6·6* |
| Others | 93·3 | 73·1 | 57·9* | 2·3 | 1·8 | 1·6* |

---

* January-October 1953 only.

in importing countries and larger surpluses in competing exporting countries played a major role in this shift. European demand for Canadian wood pulp and some metals was also lower; import controls still restricted Canadian access to important Commonwealth markets and exchange problems were factors in a sharp drop in our sales to the important Brazilian market.

The greater part of the overall decline in exports to overseas countries was offset by a substantial gain in sales to the United States. Sales of base metals to that country rose steeply and shipments of wood pulp and lumber increased in volume. But sales of farm machinery to the United States fell, largely because of a decline in agricultural income in that market. And the United States does not provide an important outlet for such Canadian commodities as wheat and automotive products; overseas shipments of both of these were reduced. Adjustments in exports of such individual commodities were therefore greater than in total exports.

Changes in the direction of imports were much less pronounced. The proportion of total imports drawn from the United States showed no significant decline from 1952; their value, like that of total imports, increased by some 9 per cent. Though both the value and the proportion of total imports drawn from the United Kingdom increased, this gain was paralleled by lower proportions from other Commonwealth countries and from Latin America. Very low prices for some industrial materials seem to have depressed the value of imports from the latter areas and, as primary producers, these countries did not share in the increase of imports of capital goods and manufactures during 1953.

### Closer Balance on Overseas Trade

The shifts in trade direction generally reduced the imbalance of trade with overseas countries which had been more pronounced in 1952 than in other recent years. The size of the export balances resulting from trade with the United Kingdom and many European countries was reduced considerably. Trade balances with many Commonwealth and Latin American countries were also smaller. The import balance on trade with the United States increased, but this imbalance remained a smaller proportion of trade between the two countries than characterizes Canadian trade with most overseas trading partners.

The relative importance of individual countries as export markets in 1953 showed several changes. The

## Some Leading Countries in Canada's Trade

*Domestic Exports*

| *Country* | *Calendar Year* 1952 | 1953 |
|---|---|---|
| | $'000,000 | |
| United States | 2,307·0 | 2,418·9 |
| United Kingdom | 745·8 | 665·2 |
| Japan | 102·6 | 118·6 |
| Germany, Federal Republic | 94·9 | 83·9 |
| Belgium and Luxembourg | 104·4 | 69·5 |
| Union of South Africa | 47·9 | 50·8 |
| Netherlands | 41·5 | 42·4 |
| Australia | 49·7 | 39·6 |
| Brazil | 81·4 | 37·6 |
| Norway | 39·0 | 37·3 |
| India | 55·4 | 37·2 |
| Venezuela | 35·7 | 36·5 |

*Imports*

| *Country* | *January-October* 1952 | 1953 |
|---|---|---|
| | $'000,000 | |
| United States | 2,447·5 | 2,729·9 |
| United Kingdom | 296·5 | 376·2 |
| Venezuela | 111·6 | 129·5 |
| Germany, Federal Republic | 18·2 | 27·6 |
| Brazil | 30·1 | 26·4 |
| Belgium and Luxembourg | 28·1 | 25·1 |
| India | 21·6 | 21·8 |
| Australia | 16·7 | 19·4 |
| Netherlands | 13·2 | 18·8 |
| Colombia | 14·6 | 18·7 |
| Malaya and Singapore | 21·7 | 18·4 |
| France | 15·6 | 18·2 |

## Some Leading Commodities in Canada's Trade

*Domestic Exports*

| *Commodities* | *Calendar Year January-October* *1951* | *1952* | *1953* |
|---|---|---|---|
| | | $'000,000 | |
| Newsprint paper | 536 | 592 | 619 |
| Wheat | 441 | 621 | 568 |
| Planks and boards | 312 | 296 | 283 |
| Wood pulp | 365 | 292 | 249 |
| Aluminum, basic forms | 121 | 155 | 173 |
| Nickel, basic forms | 137 | 151 | 163 |
| Barley | 59 | 146 | 137 |
| Copper, basic forms | 82 | 101 | 117 |
| Wheat flour | 114 | 116 | 102 |
| Asbestos, unmanufactured | 80 | 87 | 84 |
| Farm implements and machinery | 106 | 105 | 74 |
| Whisky | 54 | 54 | 63 |

619
249

*Imports*

| *Commodities* | *Calendar Year January-October* *1951* | *1952* | *1953* |
|---|---|---|---|
| | | $'000,000 | |
| Machinery (non-farm) | 276 | 299 | 334 |
| Farm implements and machinery | 171 | 172 | 194 |
| Automobile parts (except engines) | 169 | 161 | 190 |
| Petroleum, crude | 195 | 171 | 177 |
| Electrical apparatus, n.o.p. | 102 | 112 | 165 |
| Petroleum products, n.o.p. | 104 | 107 | 117 |
| Coal | 140 | 128 | 116 |
| Rolling mill products (iron and steel) | 144 | 123 | 102 |
| Engines and boilers | 71 | 119 | 98 |
| Aircraft and parts (except engines) | 30 | 77 | 93 |
| Automobiles and trucks | 67 | 54 | 89 |
| Fruits | 80 | 82 | 88 |

United States and the United Kingdom retained first and second places respectively, but Japan ranked as Canada's third export market for the first time since the war. Grains formed an especially important part of exports to Japan; metals and forest products were other major exports. Sales to Belgium and to Brazil dropped more sharply than to any of the other leading export markets. Lower exports of wheat and barley accounted for most of the decline in sales to Belgium; reduced sales of wheat, motor vehicles, electrical equipment and metals were responsible for the Brazilian decline. Belgium's demand for Canadian grains was lessened in part by the improvement in French supplies after the 1953 harvest. Brazil's total demand for imports had to be restricted because of the serious deficit in that country's external transactions in 1952. Sales of wheat to Brazil were limited by improved supplies in the Argentine, her normal supplier.

Statistics of Canada's imports during the first ten months of 1953 show no changes as sharp as those in exports to Belgium and Brazil. The United States, the United Kingdom, Germany and the Netherlands showed the greatest gains in sales to Canada. In the increase in imports from the latter three countries, textiles played an especially important part; the United Kingdom and Germany in particular increased their shipments of machinery and of motor vehicles to Canada. In the case of the United States, in addition to these categories, imports of electrical equipment, of aircraft and parts, of refrigerators and parts, and of chemicals increased sharply.

### Newsprint Leads Exports

Newsprint paper regained first place among Canada's leading exports in 1953; higher average prices over the year raised the value of newsprint exported to $619 million. This is the second time that a leading export has surpassed $600 million in value for the year; the 1952 leader, wheat, set a record of $621 million for exports of one commodity in a calendar year. Better supplies in other countries brought a decline in wheat exports to $568 million in 1953 but even at this figure, these exports remained above those of any postwar year except 1952.

Both lumber and wood pulp were affected by lower average prices and changing markets in 1953. In total, exports of both commodities increased in quantity, although shipments of some types declined. Greater sales in the United States market offset reduced sales overseas. Exports of aluminum, copper and nickel were also greater in value than in 1952, although the latter was due to higher average prices rather than to increased shipments. Farm implements showed the sharpest proportionate drop of any of these leading exports, largely because of reduced farm incomes in the key United States market, but partly because of overseas trade restrictions as well.

Beef cattle and beef again failed to rank with Canada's major exports in 1953. These exports were sharply reduced at the end of 1951 by a relative rise in Canadian prices and were largely eliminated for most of 1952 by embargoes resulting from the outbreak of foot-and-mouth disease in Canada. When the United States embargo was removed in March 1953, cattle prices in Canada and the United States did not differ sufficiently to induce much trade in cattle or beef. This situation continued throughout the year, as heavy domestic consumption of beef maintained the Canadian price level at or slightly above that in the United States.

### Investment Goods Lead Imports

The list of Canada's leading imports in the first ten months of 1953 illustrates the key influence of investment and industrial activity on the record level of imports. Of the twelve leading imports, three—non-farm machinery, farm machinery, and electrical apparatus n.o.p. (which excludes machinery items and refrigerators)—were almost entirely investment goods and accounted for two-fifths of the value of these twelve commodities. Imports of automobiles were

—please turn to page 22

# Markets for Canadian fish

*Significant trends appeared in Canada's exports of fisheries products last year; total value was down a little but prospects for sales in 1954 are generally good.*

T. R. KINSELLA, *Agriculture and Fisheries Branch*

CANADA'S FISH EXPORTS were slightly lower in value last year, 2·4 per cent below the 1952 figure of $117 million, according to preliminary statistics. But there were significant trends in the 1953 fish trade. Exports of fresh and frozen fillets to the United States increased; sales of canned salmon abroad, principally to the United States, Belgium, Italy and the Netherlands, almost doubled; revenue from exports of shellfish continued high; Jamaica bought more salt cod, and the Dominican Republic's imports of salt pollock and smoked herring bloaters improved.

**Canadian Fish Exports***

| *Kind* | *Quantity* | | *Value* | |
|---|---|---|---|---|
| | *1952* | *1953* | *1952* | *1953* |
| | (thousands of lb.) | | (thousand dollars) | |
| Total exports | ........ | ........ | 117,175 | 114,309 |
| Fresh and frozen whole or dressed | 198,148 | 180,157 | 31,954 | 29,832 |
| Total seafish | 142,177 | 125,898 | 17,479 | 16,584 |
| Total, freshwater fish | 55,971 | 54,259 | 14,475 | 13,248 |
| Fresh and frozen fillets | 81,069 | 89,859 | 20,900 | 21,390 |
| Total, seafish fillets | 71,997 | 78,731 | 17,088 | 17,361 |
| Total, freshwater fillets | 9,072 | 11,128 | 3,812 | 4,029 |
| Smoked fish | 12,500 | 9,947 | 2,005 | 1,320 |
| Salted fish | 132,276 | 117,498 | 19,655 | 17,427 |
| Pickled fish | 39,606 | 35,415 | 3,878 | 3,491 |
| Canned fish | 47,415 | 58,499 | 11,554 | 16,202 |
| Molluscs and crustaceans | 30,754 | 30,337 | 17,510 | 17,587 |
| Miscellaneous | ........ | ........ | 9,719 | 7,060 |

* Preliminary figures.

A resumé of 1953 production and sales in the main groups of fisheries products, and a look at the prospects for this year, follow.

- *Fresh and Frozen Fish*—The outlook in 1954 for fresh and frozen fish appears quite bright, almost the reverse of the position at this time last year. Prices for fresh and frozen fish in the first part of 1953 were depressed, and stocks were at an all-time high in both Canada and the United States. Several reasons were given for this condition, such as large imports into the United States market from European sources, including Iceland and Norway, lower prices for meats generally, and the fact that chain stores were buying only their immediate requirements of fillets. However, the situation improved towards the end of the summer when it became known that United States and Canadian production of groundfish fillets was considerably lower and that U.S. imports from other sources were down.

United States stocks of frozen fish and shellfish on January 1st this year were listed at only 176 million lb., compared with 193 million lb. on the same date in 1953; frozen fish were almost equal to the 1948-52 average. As a result, prices for fresh and frozen groundfish fillets are firmer and prospects for the coming season seem good.

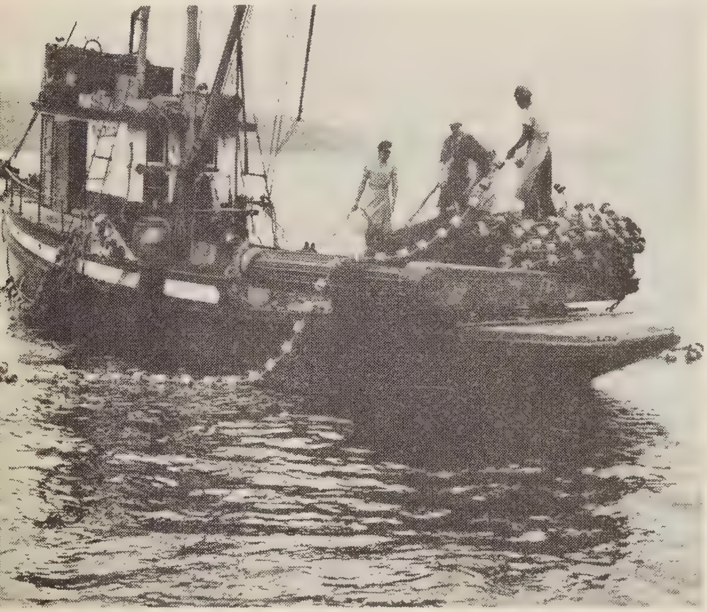
A comparatively recent innovation in the frozen fish field are frozen breaded fillets and fish sticks. Sales of these products, with their convenience appeal—"just heat and serve"—are increasing, particularly in the U.S. market.

- *Pickled, Salted, and Dried Fish*—Early forecasts in 1953 predicted fairly good markets for salt fish, especially since an analysis of world production of salted groundfish indicated that available supplies would be lower than in the previous year. But large consuming markets such as Brazil did not buy their usual quantities because of currency difficulties, and the surplus stocks were overhanging the other markets. However, substantial sales were made after Brazil revamped its exchange regulations in October, permitting importers to bid for available exchange at the daily auctions. In addition, some $950 thousand worth of salt cod is being procured from Canadian producers for relief shipments to Greece and Korea.

If sales continue at present levels Canadian exporters of salted groundfish should have little trouble marketing their current stocks during the balance of the 1953-54 season which ends on June 30th, and in that event, will find themselves in a firmer marketing position at the outset of the new season.

Stocks of pickled fish and bloaters are currently higher than last year, although a demand from the Caribbean area for good quality fish at competitive prices is expected. Jamaica's imports of pickled herring were considerably larger than in '52, and prospects for '54 are encouraging.

- *Canned Fish*—Last spring, West Coast packers were faced with large surplus stocks of canned salmon. The prospects were poor but a contract with the United Kingdom for some 200 thousand cases and increased sales in Belgium and the United States and in the domestic market helped to relieve the situation.



*West Coast fishermen, seining for salmon, pull in a promising-looking catch. Much of it will go to the B.C. canneries, which last year produced over 1·8 million cases, compared with about 1·3 million cases in 1952.*

The 1953 pack exceeded 1·8 million cases, compared with the 1·3 million cases put up in 1952, and difficulties were again anticipated. However, Belgium, Italy and the Netherlands bought substantial quantities, and the poor runs of Alaska pink salmon and California pilchards or sardines strengthened the demand in the United States for the Canadian packs.

### B.C. Delegation to Britain

A delegation from the British Columbia fishing industry visited the United Kingdom in the autumn of '53 to investigate the market for canned salmon and to purchase British goods for the West Coast fishing industry. The delegation was cordially received by U.K. government and trade officials, and the visit is expected to result in some worthwhile business. In this connection, a recent press announcement confirms that the British Ministry of Food has decided to open negotiations for one more purchase of canned salmon from North America on government account before decontrolling canned salmon and handing the trade back to importers later in the year. This final purchase on government account will ensure that the market is not denuded of supplies immediately before decontrol. British Columbia canned salmon has gained world-wide popularity and seems to have become a permanent item in many of the markets.

Production of canned sardines in 1953 was quite low and the current demand and price are exceptionally good. The British colonies in the Caribbean area are among the important outlets for this fish product.

The market for canned lobster continued strong in the United States. Shipments to the United Kingdom this year will be governed by the U.K. Token Shipment Plan, based on 30 per cent of exports during the period 1936-38.

### B.W.I. Trade Liberalization Plan

A recent announcement that canned fish is no longer subject to vouchers issued under the British West Indies Trade Liberalization Plan, but is now under Open General Licence there, should be of major assistance to Canadian exporters.

- *By-products*—Herring meal is again being produced in quantity in British Columbia after a year's lapse, because of a strike by West Coast herring fishermen. The bulk of this commodity is sold in the U.S. market and prospects seem encouraging. Atlantic Coast fish meal is also marketed in both Canada and the United States; prices are a little lower than at this time last year.

Herring oil prices have strengthened a little but, as is the case with other fish oils, they are still below those of a few years ago.

## Gifts Entering Poland

*Effective February 9, all gifts entering Poland have been made subject to customs duties. Hitherto, small quantities of food, clothing and some other articles sent as gifts have entered Poland duty-free, subject only to customs handling charges.*

*The new customs duties on gifts are high, amounting, for example, to 100 zlotys on a kilogram of roasted coffee, 300 zlotys on a kilogram of wool, and 60 zlotys on a pair of nylon stockings.*

*At the official Polish rate of exchange, one zloty equals 25 cents U.S. One kilogram equals 2·2 pounds.*

# Vancouver: *Canada's Second Port*

*Founded on the lumber industry, Vancouver has grown with the expansion of Canada's trade today ranks second only to Montreal in volume of traffic handled.*

E. A. LESLIE, *Office of the Western Representative, Vancouver.*

ONLY 67 YEARS AGO, a sailing ship from China brought the first transpacific cargo into the port of Vancouver—a shipment of 800 tons of tea. That same year saw the first outbound cargo loaded. Lumbering was the city's initial industry and inevitably that first shipment consisted of timber and spars for ships.

A glance at the present-day statistics for the port tell of phenomenal growth. In 1952 inbound cargo totalled 5·8 million tons and outbound cargo 6·3 million tons. Over 1,360 deep-sea vessels used the port, plus over 29,000 smaller ships, both Canadian and foreign, engaged in the coastal trade.

## Growth Was Rapid

It was a Royal Navy officer, Captain George Vancouver, who in 1792 first explored the area where the city named for him now stands. His sailor's eye noted the fine landlocked harbour which opens inside the First Narrows, a harbour with an area of nearly 50 square miles and a total shoreline of 98 miles. Seventy years later, Burrard Inlet, which now forms the main harbour, was surveyed and the city itself was incorporated in 1886.

Soon after, two developments combined to assure Vancouver's future as a port. In 1887 it became the terminus of the first transcontinental railway. Twenty-seven years later the Panama Canal was opened, cutting 23 days off the voyage from Vancouver to Liverpool compared with the old route via the Straits of Magellan.

Over fifty deep-sea steamship lines use the port today, maintaining regular services to the Orient, the Antipodes, Central and South America, Europe, the United Kingdom, South Africa and the Atlantic coast. Regular passenger and freight service to the Orient was begun in 1891 by the Canadian Pacific liner *Empress of India;* two years later, the first liner loaded for Australia. In comparison with Eastern Canadian ports, Vancouver is only 6,030 miles from Hong Kong compared with the 11,045 from Halifax to Hong Kong.

In addition to the deep-sea ships, Vancouver is served by a large number of coastal vessels maintaining regular schedules up and down the Pacific coast, north to Alaska and south to California.

Vessels enter Vancouver through the First Narrows, which are spanned by the lofty Lion's Gate Bridge, largest single suspension bridge in the British Empire. Ships can go in and out without tugs and the draft is 40 feet at high water.

## Port and Its Equipment

Principal piers and wharves are located at the south side of the harbour, which extends four miles between the First and Second Narrows. Beyond the bascule lift span which bridges the Second Narrows an extension of the harbour runs north and east for many miles. It is in this area that the huge new oil refineries are being constructed to handle the flow of oil from Alberta which started to move through the new Trans-Mountain pipeline in October 1953. New oil loading docks are being constructed and the channel deepened to accommodate the world's largest tankers.

The main harbour piers and wharves range from small coastal terminals up to the steel and concrete Ballantyne pier which has a berthing length of 2,610 ft. and sheds covering an area of 400 thousand sq. ft. There are 27 piers and wharves for deep-sea vessels with a total of 47 deep-sea berths. Average depth of water at these piers is 31 ft. at low water. Railway tracks lead to the piers from four transcontinental lines, in addition to an electric railway and the National Harbours Board terminal railway which supplies switching services to both sides of the harbour. There are four oil bunkering berths.

The harbour is operated by the National Harbours Board which regulates all traffic. On the north shore lies the city of North Vancouver, site of another grain elevator and deep-sea berths, in addition to extensive shipbuilding and ship repair facilities. The repair facilities include floating drydocks with a lifting capacity of 20,000 tons and marine railways with a lifting capacity of 3,000 tons. There are sixteen shipways. The repair facilities are manned by many old-country artisans who brought their skills with them.

In addition to the regular cargo-handling equipment of the port, there are numerous auxiliary facilities—including large cold-storage terminals, heavy lifting equipment, and storage facilities for more than half a million gallons of fish and vegetable oil. The National Harbours Board Fishermen's Wharf offers berthing space for 130 fishing craft.

*This aerial view of the port of Vancouver shows, in the foreground, Burrard Inlet, and to the left the principal piers and grain elevators and the main line of the C.P.R. running into Vancouver. In the background lie English Bay and the entrance to False Creek.*

The export trade of Vancouver is largely made up of natural products, including grain, lumber, pulp and paper, canned and fresh fish, flour, apples, metals, etc., but there is also a large movement of manufactured products from all parts of Canada. Import cargo covers a wide range of commodities from many countries. Principal foreign exports in 1952 included the following:

| | |
|---|---|
| Grain, in bushels | 116,639,673 |
| Flour, in barrels | 2,929,471 |
| Canned fish, cases | 1,006,129 |
| Lumber, ft. M.B.M. | 251,821 |
| Apples, boxes | 232,442 |
| Pulp and paper, tons | 46,394 |
| Shingles, bundles | 35,919 |
| Logs, poles, pilings, M ft. | 9,423 |

### Leading Grain Exporter

It is perhaps in the export of grain that Vancouver has gained its greatest reputation. The first elevator was constructed here in 1914 and limited shipments of sacked grain were made to the Orient, but it was several years before wheat started to move to the United Kingdom—in fact, after the opening of the Panama Canal in 1914. Gradually additional elevator facilities were added and in 1921, some 1¼ million bushels were shipped. This rose to a record of more than 116,600,000 bushels in 1952 and there are indications that the present crop year will establish another record.

The first elevators were constructed by the Government and operated by the National Harbours Board, which later leased them to private interests. Today there are seven modern grain elevators in the main harbour with a storage capacity of more than 18,716,000 bushels. These elevators have 17 loading berths and 78 spouts, with a total loading capacity to ships of 377 thousand bushels an hour. Today a ship can take a full cargo of 9,000 tons of grain here in eight hours.

Vancouver has travelled a long way since that first cargo was shipped out in 1887. It has become the second busiest port in Canada and, with great new developments going forward on the West Coast, this growth should continue. The years ahead should prove the truth of Vancouver's motto: "By Land and Sea We Prosper".

### Sweden's Forest Products

Forecasts are that Swedish exports of wood products will be smaller this year than in 1953, when they totalled no less than 800 thousand standards. Exports from Finland are also expected to drop. Several reasons are given for the decrease. At the recent timber sales, prices were so high that the export of wood products will hardly pay unless there is an increase in the export prices, which is most unlikely on the present market. Even current prices are considered high by European consumers. In addition, various types of substitute products are becoming popular and it is increasingly difficult to sell lower qualities because Austrian competition in this category is very keen.

A restriction in Swedish production and export of wood products is expected and extensive exports in 1953 used up a large amount of the stocks.

Export contracts for Swedish wood products made so far for delivery in 1954 amount to 140 thousand standards, of which 75,000 standards were sold to the United Kingdom. Finnish sales for 1954 amount to 90,000, of which 50,000 standards went to the United Kingdom.

# commodity notes

## Brazil

NON-ANTIBIOTIC SPECIALTIES—An American firm has concluded a long-term licensing agreement with Laboratorios Moura Brasil-Orlando Rangel S.A. of Rio de Janeiro, under which the Brazilian company will manufacture and distribute a complete line of non-antibiotic specialty products—Rio de Janeiro, Feb. 5.

## Chile

COPPER—Under a new commercial agreement, Chile will export US$18 million worth of copper to Western Germany. The price will be based on the quotation in the New York or London markets—Santiago, Feb. 6.

BAKERY PLANTS—Ten new mechanized plants for Chilean bakeries have been acquired from Sweden with the assistance of FAO. Their total value is given at US$30,000—Santiago, Feb. 6.

## Cuba

TEXTILE—According to the Cuban Textile Association, annual domestic textile production includes 55 million yards of cotton fabrics (plain), 12 million yards of rayon fabrics (plain), 22 million pounds of synthetic yarns and fibres, four million yards of "tricot" fabrics, three million towels, and 1·5 million dozen pairs of socks and stockings. The domestic cotton industry produces 12 million container bags for packing refined sugar and other industrial and agricultural products—Havana, Feb. 4.

## Denmark

FURS—At the first Copenhagen fur auction of the season, held in December, some 100 thousand standard mink and 15,000 mutation mink pelts were offered for sale. About 80 per cent were sold, bringing in a total of eight million kroner. Contrary to previous experience, most of these sales were made to European buyers. United States representatives were more reserved than usual because of large stocks and a not very lively demand on the American market. The maximum price fetched for standard mink was 174 kroner, for silverblue 205 kroner, and for pastels 280 kroner. The sensation at this auction was the new white mink, of which some 200 were offered. Of these, the seven best pelts went to the United Kingdom at a price of 400 kroner each. No interest was displayed in the 2,000 silver fox skins offered and 120 kroner was the highest price obtained for the 1,600 blue fox put up for sale—Oslo, Jan. 30.

## Norway

FURS—The most notable feature of the first fur auction of the season held in Oslo from December 8 to 11, 1953, was the renewed interest in blue fox skins. This may well be the result of the advertising campaign for Norwegian fur products recently organized abroad by the Norwegian Fur Farmers' Association. Of the 5,035 blue fox skins offered, 99 per cent were sold at an average price of 83 kroner; the maximum price was 180 kroner. Silver foxes also sold better than expected, 66 per cent of the 2,734 skins offered went at an average price of 89 kroner. Practically all the mink pelts put up for sale were disposed of, the 28,750 standard mink skins fetching an average price of 97 kroner, the 4,200 silverblue an average of 144 kroner, and the 2,800 pastels an average of 153 kroner. The total export value of the pelts sold at this auction was a little over 4·5 million kroner—Oslo, Jan. 30.

## Pakistan

CLOTH—To offset high domestic prices and shortages of cloth, the Government of Pakistan recently finalized the purchase of Rs.30 million (approximately Canadian $9 million) worth of cloth from Japan, consisting chiefly of the cheaper grades of shirtings and other cottons usually imported from that country—Karachi, Jan. 29.

JUTE—According to reports, Poland has purchased 40,000 bales of jute and is negotiating for an additional 20,000 bales. The USSR has bought over 30,000 bales and is said to be interested in an additional 60,000 to 100,000 bales, for delivery in the next two months. These purchases are being negotiated through normal trade channels—Karachi, Jan. 29.

### Panama

BANANAS—In spite of heavy storms, banana exports by the Chiriqui Lant Company (United Fruit) during 1953 increased to 5,852,890 stems compared with 3,582,208 in 1952—Guatemala City, Feb. 2.

### South Africa

MINERALS—Latest statistics for 1953 indicate that it is likely to be a record year for mineral sales. New peaks in both value and quantity are expected in metal ores, coal and tin. The total value of minerals sold during the first nine months of the year was £36·6 million, compared with £35·9 million in the same period of 1952. Increases in the sales of chrome and manganese ores, plus greater coal production, have offset lower copper and asbestos prices—Cape Town, Feb. 5.

WATTLE BARK AND EXTRACT—Production of wattle bark and extract in the Union of South Africa was curtailed during the second quarter of 1953 because stripping had to be suspended earlier than usual as a result of dry weather. However, the export trade in wattle products is being maintained and large shipments of extract are going to the United Kingdom, Europe and Japan.

Exports of wattle bark increased from 32·7 million pounds worth £458,329 in January-July 1952, to 38·2 million pounds valued at £547,056 for the same period in 1953. The figures for extract showed a decline from 141·9 million pounds worth £4,538,513 to 121·5 million pounds worth £4,194,524—Johannesburg, Feb. 4.

FRESH FRUIT—Expanding fresh fruit exports have led to the need for more precooling chambers at South African ports and more refrigerated shipping. The volume of exports is expected to rise by a third by 1960, as compared with the present. The Perishable Products Export Control Board is making arrangements for increased refrigeration facilities. Some idea of the expansion is provided by comparing the 1926 figures of only 1·5 million packages of deciduous fruit and 625 thousand packages of citrus with today's 5·8 million and 4·5 million packages, respectively. It is estimated that by 1960 South Africa will be exporting seven million packages of deciduous and eight million cases of citrus fruits—Cape Town, Feb. 5.

GOLD—Production of gold was greater during the war years, but the higher prices have made the 1953 output the most valuable in the history of South Africa. Thanks to the increased tempo on the Far West Rand, where there are now five major producers, and to the slowly rising output from the Orange Free State, production increased by 120,795 ounces to 11,936,307 ounces, and the value rose from £146·9 million in 1952 to £147·5 million in 1953—Johannesburg, Feb. 2.

### United Kingdom

STEEL—Britain produced 17·6 million ingot tons of steel in 1953, as compared with 16·4 million tons in 1952. This was made possible by the ending of the shortage of steel-making materials which resulted from the Korean War dislocation of shipping.

For the first time since the war supply and demand came into balance, except for plates and sheets. Consumers' stocks of steel have been replenished, imports reduced and exports increased. It is estimated that the increased capacity and the supply of raw materials available will support production in 1954 at a level of 18·5 million tons. However, except for a few special products, the sellers' market has gone, and higher output will depend on demand. A further drop in imports of finished steel is expected—London, Feb. 8.

COAL—Provisional figures for U.K. coal output in 1953 come to 223·52 million tons, compared with 224·78 million tons in 1952—a drop of 1·26 million tons, attributed to the introduction of an extra week's holiday for miners and to the Coronation holiday. The overall loss from holidays was 14 million tons, as against nine million tons in 1952. Allowing for the holiday loss, actual production was 3·75 million tons higher than in '52. This is the first time since nationalization that output has failed to rise. Previous annual increases in millions of tons were: 1952, 3·5; 1951, 6·6; 1950, 1·2; 1949, 5·7; and 1948, 12—London, Feb. 8.

COMMERCIAL VEHICLES—Preliminary figures indicate that U.K. exports of commercial vehicles dropped to £62 million in 1953 from £78 million in 1952. Most of the decline was in lighter vehicles, such as light vans and trucks, station wagons and pick-ups, although public service vehicles also declined. Exports of heavy duty vehicles (over three tons unloaded), were higher. Principal overseas markets, mostly Commonwealth, took about the same value of U.K. production as last year. Chassis make up a large percentage of exports, indicating the development of component and body production in importing countries. Production for the first ten months of 1953, as compared with the same period in 1952, rose by 10,000 for vehicles under 15 cwt. carrying capacity and by 2,000 for vehicles over six tons, but dropped by 13,500 for vehicles between 15 cwt. and six tons—London, Feb. 8.

# Agricultural Policy and the U.S. Government

*The promised re-examination of the Government's entire agricultural program has been concluded in the United States and certain recommendations have been made to Congress for dealing with some of the more pressing problems.*

W. C. HOPPER, *Agricultural Counsellor for Canada, Washington.*

FOR THE MAJORITY of United States farmers, the most important of the Federal Government's agricultural policies is that relating to the support of farm prices.

At the present time, the prices of six "basic" commodities—wheat, corn, cotton, rice, tobacco and peanuts—are supported at 90 per cent of parity* and this level of support will be continued until the 1954 crops are marketed. Wheat and cotton growers have voluntarily agreed to reduce their 1954 acreages in these crops by a substantial amount in return for 90 per cent price supports; the 1954 corn acreages will also be cut.

## Present Support System

This fixed high level of support was established in 1949 by an amendment to the Agricultural Adjustment Act of 1948. If new legislation is not passed during the present session of Congress to continue this 90 per cent support level for basic commodities, price supports for these crops produced in 1955 and thereafter will be somewhere between 75 and 90 per cent of parity, depending on supply. This policy is popularly called flexible price support.

Legislation now in operation provides that honey, wool and dairy products must be supported at between 75 and 90 per cent of parity. A large number of other products, such as oats, barley, rye, soybeans, flaxseed and certain field seeds, (but no fruits and vegetables or meat animals) may, at the discretion of the Secretary of Agriculture, be established at any level not to exceed 90 per cent of parity.

Price support programs, according to the U.S. Department of Agriculture, are used for these purposes:

- To encourage the required high level production and the orderly marketing of farm crops over the course of several years;
- To stabilize farm purchasing power;
- To protect the national economy from repercussions which follow from low farm incomes;
- To develop reserve stocks of agricultural commodities necessary for emergency needs at home and abroad.

## Loans and Purchases Made

To support prices of commodities at a specific percentage of parity, farmers receive loans at the parity levels and the Commodity Credit Corporation, which is the government agency responsible for financing price support operations of this kind, makes outright purchases.

To help stabilize prices of other commodities, many of which are perishable, the Government makes purchases under authority of section 32 of Public Law 320, which provides that 30 per cent of all tariff revenues be used for encouraging exports and domestic consumption and for export subsidies on agricultural commodities which are in surplus supply. Most of the operations under section 32 involve buying limited quantities of commodities to raise the price to producers and to increase consumption by needy persons. The objective is not to raise the price for the whole crop up to a given level, but merely to relieve a surplus and support prices to some extent. Section 32 funds were used in 1953 to help support the prices of a large number of agricultural products.

The operations of the Commodity Credit Corporation and expenditures under section 32 are the most important methods employed by the United States Government to support and stabilize prices of agricultural commodities. There are, however, a number of other methods used—such as crop insurance, payments under the Agricultural Conservation Program and payments of the difference between the price of wheat under the International Wheat Agreement and the domestic market price.

---

* Parity may be defined in different ways. Parity prices for farm commodities are those which are fair to the farmer considering the prices of things he must buy and pay for, or parity prices are the prices of agricultural commodities which will give them a purchasing power with respect to articles that farmers buy equivalent to the purchasing power of agricultural commodities in the base period—a period when prices paid and prices received by farmers were in good balance. A more simplified definition of parity prices is that, if it took so many bushels of wheat, dozens of eggs, or pounds of pork or beef to buy a suit of clothes in the base period (usually 1910-14 is used), the price of these agricultural products today—or the parity price—should be such that a similar quantity of the products will buy a suit of clothes comparable in quality to that purchased in the base period.

The price support activities of the Commodity Credit Corporation cost about $61 million in 1953. The removal of surplus commodities—such as contributions to school lunches, gifts to relief agencies at home and abroad which were undertaken with section 32 funds, and payments under the International Wheat Agreement Act—amounted in 1953 to about $213 million. The total cost in 1953 of all federal programs which were used primarily to stabilize farm prices and farm incomes was about $331 million. Over the past 22 years, programs of this kind have cost the United States Government a total of $7,510 million.

### Brief History of Price Support

The various price support programs now being operated by the United States Government have been developed during the last twenty years, following the creation of the Commodity Credit Corporation in 1933. At that time, farm prices were extremely low, farm foreclosures were at a record high, and the agricultural economy was in a serious condition. Price support operations, however, were relatively small compared with those of today; only the prices of corn, cotton and naval stores were supported. In 1938, price support operations were expanded substantially in the hope that farm purchasing power might be restored. The prices of many additional commodities were supported. At the start of World War II, the United States benefited from price support programs in the form of reserves of corn, wheat and cotton, accumulated by the Government. These reserves helped to meet expanded wartime needs for food and fibre. As the war emergency became graver, price supports were used to increase agricultural production in a short space of time. Legislation was passed to support prices beyond the immediate war period to help farmers in the transition from a wartime to a peacetime economy.

With the outbreak of hostilities in Korea in June 1950, price supports again were used for purposes similar to those in World War II. At the start of the Korean hostilities, the United States again reaped dividends in the form of commodity reserves developed under price support. This time the reserve included a much larger group of commodities than at the start of World War II, reflecting the fact that the number of commodities supported had increased sharply since 1941. These reserves again proved invaluable in meeting immediate and expanded needs and in helping to prevent runaway inflation in commodity prices. Stocks of feed grains made possible record meat production and stocks of cotton were returned to commercial channels to help stabilize prices.

### Present Government Stocks

Stocks of surplus commodities in the hands of the Commodity Credit Corporation have grown rapidly during the last year and a half. The adoption by farmers of modern methods of production, combined with relatively good growing conditions, have been responsible for record crops. Total production of farm products was 45 per cent greater than it was just before World War II. This great increase in production, stimulated by high price supports while exports were declining drastically, has contributed to building up government stocks of surplus commodities to an all-time high. On February 1, 1954, the Commodity Credit Corporation's investment in loans to producers and in its own inventory was almost $6¾ billion, the top limit of its borrowing authority. A bill has been introduced in Congress and will shortly become law to increase the borrowing authority of the CCC to $8½ billion. Because loans to farmers are likely to continue at a high level, it is not expected that the additional authority for $1¾ billion will take care of more than the 1954 crops.

The carryover stocks in the hands of the Government from the 1953 crops will probably amount to about 800 million bushels of wheat and 9·6 million bales of cotton, which represent a full year's domestic needs for these products. The prospective carryover of corn is 900 million bushels and of food fats and oils, 1⅔ billion pounds. Government stocks of dairy products at the beginning of 1954 were the largest on record, representing about 8½ billion pounds of milk equivalent.

### New Agricultural Legislation

When the Republican Administration came into power in January 1953, the Secretary of Agriculture promised that the entire agricultural program of the Federal Government would be modernized to make it of greater value to farmers and more beneficial to the entire national economy. Secretary Benson promised that, in developing new policies, the farmers of the nation would be given an opportunity to make recommendations. During 1953, nation-wide meetings of farmers were held by the large farm organizations where farmers answered questions on the kind of federal legislation they wished to see adopted. Economists at agricultural colleges were asked for their advice and several working parties were set up in the United States Department of Agriculture to develop plans. The agricultural committees of the Senate and House of Representatives held hearings in various states. The results of all these studies were analyzed by the National Agricultural

Advisory Commission, which reported to Secretary Benson. Final recommendations were presented by the President to Congress in his message on January 11.

These recommendations will require little in the way of new legislation. The agricultural acts passed in 1948 and in 1949 are to be continued in operation. The message recommends that the amendment to the 1949 act, which provides that the prices of the six basic commodities be supported at 90 per cent of parity, be allowed to expire after the 1954 crops are marketed. Flexible price supports at 75 to 90 per cent would then come into effect as provided by the 1949 act. The Secretary of Agriculture hopes that the adoption of flexible supports will make it unnecessary to set up government machinery to reduce the acreages of these crops. The President also recommended that the modernized parity formula, which is based on the last ten years, be used instead of the parity formula which is based on the years 1910-14 and the transition from one to the other must not exceed 5 per cent per year.

### Mr. Benson's Views

Since becoming Secretary of Agriculture, Mr. Benson has been an outspoken opponent of the fixed 90 per cent support of the prices of basic commodities. He has assailed high rigid price supports in recent addresses because he believes they build up mountainous surpluses which depress prices, drain off taxpayers' dollars, throw production patterns completely out of gear, hinder agriculture in its attempt to move forward toward expanded or new markets, and cause bitterness and misunderstanding between city consumers and farm producers. Since the President presented his message to Congress, several Congressmen, principally from wheat and cotton-growing states, have expressed vigorous opposition to the recommendation for dropping the 90 per cent parity support level for basic commodities. It is expected that there will be a vigorous struggle in Congress between those in favour of high rigid price supports for basic commodities and those who oppose rigid, but are in favour of flexible, price supports.

### Disposal of Surplus Commodities

During the 1953 session of Congress two new measures, under which surplus agricultural commodities could be disposed of to foreign countries, became law. One act provides $100 million to be available up to March 31, 1954, for relief of famine and other emergencies in foreign countries. The other legislation, known as section 550 of the Mutual Security Act, provides that $100 million to $250 million be made available up to January 30, 1954, for financing the disposal of surplus commodities which foreign countries may purchase at world prices for local currencies. Commodities sold under section 550 must not replace the usual marketings of the United States and friendly countries. Up to February 1, expenditures of approximately $7 million of the Famine Relief Act and about $64 million of the funds made available under section 550 had been authorized.

In the President's message of January 11, he recommended that $2½ billion of government stocks of surplus commodities composed of wheat, cotton, vegetable oils and possibly some dairy products, should be frozen or insulated from commercial channels of trade.

### Budget Message

The President's budget message presented to Congress on January 20 recommended that $1 billion worth of commodities held by the CCC be used over a period of three years to "strengthen the economies of friendly countries and otherwise to contribute to the accomplishment of our foreign policy and objectives. . . Special safeguards will be provided which will require that commodities furnished must be in addition to amounts which otherwise would have been imported and must not displace the usual marketings of the United States and friendly countries".

Neither of these two recommendations has as yet become the subject of legislation. When bills implementing these recommendations are introduced in Congress, it is expected they will reveal what plans are contemplated for using the large sums of money which will be provided.

### Three Methods Proposed

United States Government officials have said that there are three general methods of disposing of the giant stocks of surplus commodities: increased consumption at home; greater sales to other countries in the normal channels of trade; and sales and gifts to foreign countries over and above normal commercial transactions. All of these, they say, will be used but it appears that the Government will have to carry much larger stocks for some years than it has carried in the past.

While the special measures used by the Federal Government with the primary objective of supporting agricultural prices and stabilizing farm income are of the greatest interest to United States farmers and involve the greatest expenditures, federal agricultural policies include many other programs. These programs aim to increase production, make farming and marketing more efficient, conserve agricultural resources, provide long and short-term credit for farmers and farmers' co-operatives, expand exports and generally improve the lot of the nation's agricultural producers. The Federal Budget for next year estimates net budget expenditures for agriculture and agricultural resources at $2·4 billion, of which $1·3 billion will be for programs other than CCC price supports for agricultural commodities. ●

# The Rural South

*The diversifying of crops and industrial and rural progress in the last 15 years have strengthened the Southern economy and made the impending restrictions on cotton production less serious in these states.*

G. A. NEWMAN, *Consul of Canada and Trade Commissioner, New Orleans.*

IN THE CLOSING MONTHS OF 1953, the Southern States received a sharp reminder that 49 per cent of the nation's farms and 51 per cent of its farm people are in the South. The jolt came in the United States Department of Agriculture's estimate that the country has about $1½ billion worth of cotton in excess of market demand for the current marketing year ending August 1, 1954. The Department estimates the total supply for the marketing year at 21·9 million bales and domestic and export consumption at 12·3 million bales, leaving a carry-over of 9·6 million bales next August. It is the largest carry-over since the war and sufficient to supply the United States' whole needs for four years. This surplus, under the present government regulations, spells crop restrictions to the Southern States, where cotton has been king for 150 years. The small producer, however, is not wringing his hands as tensely as he has in the past.

## Diversifying Crops

Before the Civil War, there were other crops besides cotton grown in the South. Tobacco remained important, especially after 1850 when flue-curing supplanted the old-fashioned method and a new yellow-leaf variety won public favour. North Carolina and Virginia profited most from this crop.

Down in Louisiana, sugar was introduced by the Jesuits from Santo Domingo in 1751. Between 1820 and 1861 production increased from 20,000 short tons to 270 thousand and sugar-growing was giving employment to 180 thousand slaves.

Rice, corn, peas, beans and sweet potatoes and some livestock were also to be found in the South. But then, as today, cotton was the leader.

After the Civil War, the importance of crop diversification was recognized but there was little means at hand for its accomplishment. Nevertheless, there were some notable variations from cotton and tobacco production. Perhaps the most important was the development of truck farming—the supply of fruits and winter vegetables to the large cities of the East and North. By 1900, $24 million worth of fruit and $28 million worth of vegetables were moving annually into northern markets. Southeast Virginia turned to the growing of peanuts and Texas to cattle-raising.

The war also taught Southerners the importance of industrialization and in the 1880's production of fertilizers, iron and steel, lumber and furniture, tobacco and cotton textiles began. Of these, cotton textiles was the most important. By 1910, the Southern mills were leading the nation in the consumption of domestic cotton. The introduction of the cigarette gave a boost to tobacco manufacture, centered in North Carolina.

Important as these industrial developments were, they did not begin to meet the employment needs of the South nor did they raise in any marked degree the per capita income of these agricultural states.

## Between the Wars

At first glance, the rural South appears to have made little substantial progress during the period between the two World Wars. Tenancy reached its highest point in the 1920's. In Texas, the percentage of tenant-operated farms rose from 53 to 61; in Arkansas, from 51 to 63; and in 1930 in the State of Mississippi it attained the peak figure of 72 per cent. During this same period, the percentage of white tenants increased by about 35 per cent and that of negro tenants decreased by 11 per cent. Living standards of Southern farms lagged behind those in the North.

The depression served to awaken national interest in the South and laid the groundwork for national support which has contributed in numerous ways to the satisfying progress there in the last 15 years.

One of the immediate effects was the Agricultural Adjustment Act of May 12, 1933, which reduced the acreage in cotton and other crops. In 1934 and 1935, about 14 million acres normally in cotton were shifted to other crops and in 1936 the diverted acreage was the largest on record. The much-needed crop diversion, the establishment of parity prices, farm loans and soil conservation measures served to reverse a trend in Southern agriculture which had been getting progressively worse. In a sense these were outside measures which, though salutary, did not stem from Southern agriculture itself and the permanent effect of such measures was therefore open to question.

Fortunately for the South, the between-war period also saw the beginning of inter-related activities which contributed to greater productivity and later brought to the South a prosperity which it had never known before.

### Groundwork for Progress

From the beginning, these states have had too many people on the land producing too little per person—and with nowhere to look for better employment. But the last 15 to 20 years have witnessed a great and gratifying change. Between 1940 and 1950, the number of farms in the South decreased by one-eighth and the acreage per farm tended to increase. The number of farm tractors, symbolic of mechanization, increased by more than 200 per cent. There was a marked decrease in farm population and farm employment and yet the total farm output rose.

Across the Southland the story has been much the same. In the southwestern states of Arizona, New Mexico, Oklahoma and Texas, the number of farm operators between 1930 and 1950 dropped from 906,377 to 632,005, a decline of 30 per cent. In 1930, 60 per cent of all farmers were tenants; by 1950, only 23 per cent. In the southeastern states of Alabama, Florida, Georgia, Louisiana, Mississippi and Tennessee, there were approximately 275 thousand fewer farms in 1950 than in 1935; the average size of the farms had increased from 75 to 130 acres. In 1930, over 400 thousand share-croppers represented 31 per cent of the total farm operators. By 1950, the number had dropped to 186 thousand and the percentage to 17. In 1935, farm operators held title to 50 per cent of the land; in 1950, the percentage had increased to 74.

### Factors in Change

The two basic reasons for this change were the high prices for farm products between 1940 and 1952 and the intense industrialization which took place in the South over this same period. Basic industries in wood products, steel, fertilizers and textiles were expanded and new ones such as the petrochemical industry, with its plastics and synthetic fibres, were added. Rising incomes and new consumer demands attracted branch plants of firms producing consumer goods.

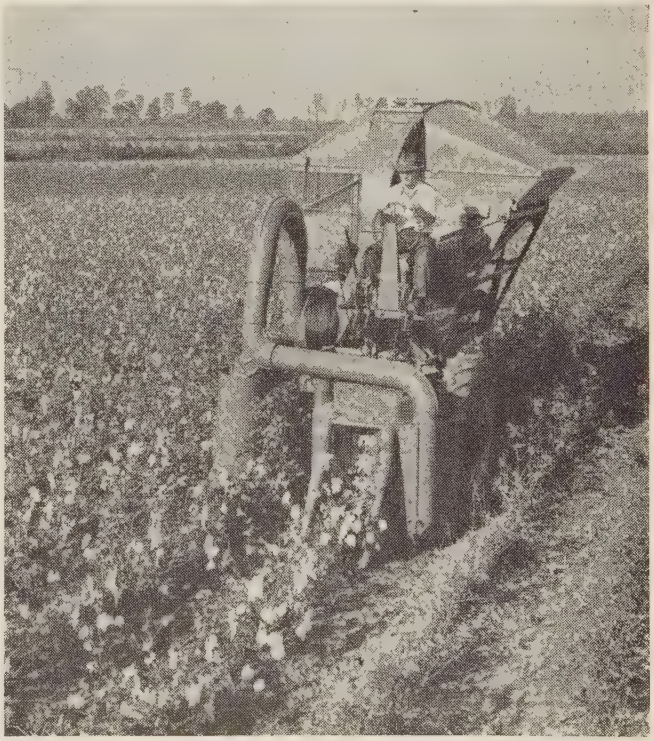
These two factors have galvanized the rural South into adopting practices which were recommended earlier but which were difficult to put into operation in the absence of funds and with a burdensome farm population.

In farms which are of a size to warrant the capital expense, mechanization has replaced hand labour. In six Southeastern states, for example, the total number of tractors increased from 10,000 in 1920 to 277 thousand in 1952. This in turn has led to greater acreage per farm and an active attempt to diversify crops.

### Trends in Farm Production

It is curious that, while cotton production has been rolling to the westward, grazing and cattle farming has been moving from west to east; today there are grasslands being improved and livestock being built up as far east as Florida. In six Southeastern states between 1935 and 1950, 13 million acres were added to the land in farms but the crop land harvested declined by five million acres. Of the 18 million acres in new land or land diverted from harvest crops, 16 million went into pasturage.

The increasing urban population in the South has meant an expanding market for meat and dairy products, poultry, eggs, fruits and vegetables. More important, however, is the fact that the new industries, many of which are being dispersed throughout the rural areas, are offering attractive wages and employment to those whose farms are too small or poor to permit the relatively high cost of mechanization and mixed farming. Such farmers have either left their farms entirely or have found it possible to treat their holding on a subsistence basis while motoring to work in factories each day.



*This mechanical harvester is gathering in part of the cotton crop in the Southern States. For the marketing year ending August 1, 1954, estimates are that production will outstrip market demand by about 9·6 million bales.*

Mechanized farming for more efficient production; increased use of fertilizer and better seeds; greater know-how; the conversion from crops to livestock and other forms of mixed farming—these developments have marked the past few years.

With these changes in mind, it is interesting to note the following comparison of the top ten sources of income from farms in 14 Southern States for 1937 and 1952:

**Top Ten Sources of Agricultural Income in 14 Southern States**

| *Rank 1937* | *Income* | *Rank 1952* | *Income* |
|---|---|---|---|
| 1. Cotton ........ | $805 million | 1. Cotton ...... | $2,318 million |
| 2. Tobacco ...... | 291 " | 2. Cattle ........ | 1,382 " |
| 3. Cattle ....... | 251 " | 3. Tobacco .... | 1,035 " |
| 4. Milk ............ | 211 " | 4. Milk .......... | 722 " |
| 5. Hogs ............ | 126 " | 5. Hogs ........ | 499 " |
| 6. Wheat ........ | 103 " | 6. Chickens .... | 441 " |
| 7. Eggs ............ | 95 " | 7. Eggs .......... | 368 " |
| 8. Truck Crops | 95 " | 8. Wheat ........ | 325 " |
| 9. Chickens .... | 50 " | 9. Truck crops | 290 " |
| 10. Peanuts ...... | 38 " | 10. Peanuts ...... | 140 " |

In 1953, U.S. farmers were subject to rising operating costs, a 10 per cent decline in crop prices, and a drought. As they enter 1954, the farmers of the Southern States are faced with cotton restrictions, a continued levelling of farm prices, and a moderation, if not a decrease, in industrial production as a source of employment.

How will the South stand up under these conditions which are less buoyant than in the past few years? A return to the depressing conditions of 20 years ago is most unlikely. Industrialization has penetrated deeply into the South. Agriculture, though still heavily dependent on cotton and tobacco, is no longer focused on a single crop. The intelligence and skill devoted to farming is being steadily increased. One feels, therefore, that apart from a national emergency the South, by making more effective use of its basic resources and manpower, is better able to withstand adverse economic conditions. In fact, it should gradually emerge as an area whose prosperity may not exceed, but will not be much below, the other areas of the United States.

# FRANCE *Improves Its Trading Position*

*The year 1953 has seen a gradual rise in exports, a drop in imports, and a continuing deficit with the European Payments Union and with the sterling area.*

J. H. STONE, *Assistant Commercial Secretary for Canada, Paris.*

THE FOREIGN TRADE OF FRANCE definitely improved during 1953. Official statistics for the first nine months of the year indicated that the slump in exports, which persisted through most of 1952, has given way to a gradual rise in both the value and quantity of goods shipped to foreign countries. Imports continue to exceed exports but to a smaller degree than during 1952. No detailed official figures have yet been published for October and November, but preliminary reports indicate that the favourable trend is continuing and 1953 is expected to turn out as a considerably better year for foreign trade.

## Imports Have Fallen

In early 1952, France cancelled the partial liberalization program instituted within the OEEC framework and required import licences for all products regardless of their origin. It took some time for the effects of this policy to become apparent and the commercial balance for 1952 reflected the heavy imports of the first few months of that year. During the first nine months of 1953, however, total imports from abroad were valued at 828·4 billion francs compared with 963·9 billion during the same months of the previous year, a drop of almost 14 per cent. Almost all the principal commodities were affected (see table below). Imports of industrial raw materials and food products, fruits and vegetables excepted, were cut substantially but imports of industrial equipment were increased.

This decrease in imports of foreign products was partly compensated for by increased imports, particularly of consumer goods, from the French Overseas Territories.

The improvement in the export picture was not uniform for all products. Exports of textiles and iron and steel products went up substantially, as did those of wood

## Foreign Trade of France

| | Imports 12 months 1952 (billions of francs) | Imports 9 months 1953 (billions of francs) | Exports 12 months 1952 (billions of francs) | Exports 9 months 1953 (billions of francs) |
|---|---|---|---|---|
| Switzerland | 37·8 | 27·1 | 103·7 | 87·6 |
| United Kingdom | 60·4 | 51·5 | 85·2 | 57·2 |
| Belgium and Luxembourg | 61·6 | 44·1 | 79·5 | 62·5 |
| Western Germany | 115·0 | 82·4 | 78·9 | 71·0 |
| United States | 160·6 | 103·5 | 54·9 | 49·1 |
| Italy | 33·5 | 15·8 | 37·9 | 31·1 |
| Netherlands | 32·8 | 26·4 | 28·4 | 23·1 |
| Brazil | 29·9 | 20·1 | 25·4 | 25·4 |
| (Canada) | 26·8 | 10·7 | 6·7 | 7·0 |
| Other Countries | 673·2 | 446·8 | 317·5 | 235·4 |
| Total all foreign countries | 1,231·6 | 828·4 | 818·1 | 649·4 |

## Principal Imports of France from Foreign Countries

| | 12 months 1952 (billions of francs) | 9 months 1953 (billions of francs) |
|---|---|---|
| Textiles, raw materials and finished | 169·6 | 162·1 |
| Petroleum products | 153·5 | 132·6 |
| Iron and steel products | 141·9 | 113·7 |
| Solid fuels | 92·9 | 65·8 |
| Chemicals | 37·0 | 31·1 |
| Transportation equipment | 29·0 | 30·1 |
| Fruits and vegetables | 18·9 | 24·3 |
| Pulp and paper | 43·6 | 23·9 |
| Leather and products | 17·7 | 21·2 |
| Rubber and products | 26·1 | 16·4 |
| Total imports | 963·9 | 828·4 |

## Principal Exports of France to Foreign Countries

| | 12 months 1952 (billions of francs) | 9 months 1953 (billions of francs) |
|---|---|---|
| Iron and steel products | 150·3 | 184·0 |
| Textiles | 73·9 | 95·0 |
| Chemicals | 49·7 | 49·8 |
| Petroleum products | 47·3 | 42·4 |
| Transportation equipment | 36·9 | 35·1 |
| Solid fuels | 19·9 | 27·2 |
| Beverages | 27·0 | 23·9 |
| Wood and products | 12·8 | 15·8 |
| Leather and products | 11·6 | 13·2 |
| Electrical products | 12·6 | 11·9 |
| Total exports | 598·8 | 649·4 |

and leather products. The chemicals picture showed little change and exports of petroleum products decreased.

During the first part of the year, the rise in exports stemmed largely from increased shipments of raw and semi-finished products. Manufactured goods did not share in the improvement until later.

French prices are admitted to be still somewhat above world levels. However, the various measures which the French Government has taken to assist exporters are beginning to show results and the relative stability of prices in France during the past year has been an important factor in enabling manufacturers to improve their export position. French industries have been giving the export market increasing attention and, in co-operation with Government and trade associations, have made stronger efforts to compete in world markets.

### *French Trade Balance by Currencies

| | 1951 | 1952 | 10 months 1953 |
|---|---|---|---|
| | Deficit (—) or Surplus (+) (Monthly averages in billions of francs) | | |
| Dollar Area | —12·3 | —15·4 | — 9·3 |
| Sterling Area | —16·4 | —18·3 | —20·3 |
| French Franc Area | +16·5 | +18·4 | +10·0 |
| Other Currencies | + 1·7 | + 0·7 | +10·2 |

The pattern of trade by areas is less encouraging. The deficit with the sterling area has increased this year, with average monthly deficits running at over 20 billion francs. The deficit with the dollar area has been sharply cut from a monthly average of over 15 billion francs last year to 9·3 billion a month during the first ten months of 1953.

Imports from France's partners in the European Payments Union continue to exceed exports and though this unbalance has been reduced in recent months, it continues to be a problem, demanding monthly balancing payments in gold or dollars. With the partial return to trade liberalization which France has undertaken since September (involving only OEEC countries) an increased deficit with the EPU is a definite possibility.

It is impossible to foresee whether the trends of the last few months will continue into 1954.

The disparity between French and world prices, although smaller than it was a year ago, still persists. France is under pressure from her partners in the OEEC to eliminate more import restrictions. It is logical to predict that, as liberalization is increased, this price disparity will make itself felt more and more in a corresponding deficit with these countries. ●

---

* Figures shown reflect the balance of trading operations classified by the money of payment. The balance of trade with the European Payments Union referred to in the paragraph following is included partly in the figures for the sterling area, and partly under "other currencies".

# French Overseas Territories . . . .

JAMES P. MANION, *Area Trade Officer.*

THE FRENCH OVERSEAS TERRITORIES cover a vast area which was almost unknown before the war and whose raw materials and natural resources were almost completely unexploited. The soil was rich and it was suspected that the territories possessed enormous mineral resources. Only since the war, however, has a concerted attempt been made to evaluate these resources. Development has proceeded rapidly and so much has been achieved, not only in building up transport facilities but also in research, surveys and geological information, that private investment can now be encouraged to enter the field.

This statement was made in the course of the Franco-Canadian trade discussions which took place in Ottawa last October. As a result of a general survey of the situation, the Canadian officials asked the French representatives to prepare a paper on current opportunities in these overseas areas. The present report is a resumé of the material which they submitted.

## The Area Described

The French Overseas Territories, exclusive of Indo-China and North Africa, have an area of about 3¼ million square miles (much larger than Canada), and a population of 30 million. The largest of the territories is French West Africa, much of which is desert and which includes the Trust Territories which were mandates after the First World War. The second largest is French Equatorial Africa and the third, Madagascar. Then there is New Caledonia, the largest possession in French Oceania. In this survey, French North Africa and Indo-China are not included, nor are other areas such as Guadeloupe, Martinique, and Saint Pierre and Miquelon which are considered part of Metropolitan France under the present constitution.

Whatever work France had done in these territories before the war was in large measure nullified because of lack of liaison with Metropolitan France during the German occupation. As a result, a new start had to be made and at the end of 1943 a first conference took place in Brazzaville. It was then decided to draw up a special program for the development of the area as a whole, recognizing that it had progressed beyond the colonial era which ended in the twenties and thirties. In framing this program it was realized that social development should come first, that projects for economic development should be examined, and that the way should be prepared for progress in both spheres.

## French Investment in Basic Development

The plan took shape largely in 1945 and 1946 and involved large basic expenditures by the Government of France. An organization was set up under the name "Investment Fund for Economic and Social Development", commonly called "FIDES" after the French title, "Fond d'Investissements pour le Developpement Economique et Social".

This plan of basic investment has actually been in effect since the early part of 1948, and during the last six years has distributed its investments in the following way: basic economic equipment, 52 per cent; production and sources of energy, 27 per cent; social requirements, 16 per cent; research, 5 per cent.

Few people realize that France, over the last six years, has spent 400 billion francs (or approximately $1,150,000,000) to furnish the economic substructure necessary for the development of these Overseas Territories. This sum does not, naturally, include any of the French expenditures in Indo-China.

The striking thing about these figures is that they represent what is now commonly called the "infrastructure"—that is, the basic expenditure necessary for adequate development of a country. They cover repair of war damage, geological and soil surveys, the education of technicians, the improvement of hygienic and sanitary conditions and, above all, the development of transportation facilities.

In tropical and semi-tropical countries anything which has been allowed to deteriorate—such as roads and road transport, railways and rolling stock, and even port facilities—has practically to be built over again. Such reconstruction and the extension of existing facilities was the chief part of the basic expenditures because

# *a blueprint for the future*

*Since 1948, development has proceeded rapidly in these virtually unexploited territories, under the stimulus given by the French Government. Today, this area offers opportunities for capital investment in many fields.*

without transportation and communications, it is impossible to bring materials produced to market. The French authorities now consider that they have done the major fundamental work on these facilities.

Two other aspects of this first stage require mention. Little was known about the agricultural potential of these countries apart from the indigenous agriculture carried on for centuries. It was therefore necessary to co-ordinate information on both soil and climate to discover what could be grown in the various territories. It was also essential to find means of producing the energy necessary to carry out future plans. Not only have hydro-electric resources been discovered but some of the most important have already been harnessed.

The result is that, through state enterprise, a good part of the foundation has already been laid. The time has come for French and other private capital to interest itself in the possibilities of these territories, once the legislation necessary for attracting such capital has been passed. From the reports which have been presented, there now seems to be no legislative obstruction of any kind to the movement of capital, as explained below.

## Movement of Capital

In the case of capital coming from any foreign country, it is possible to transfer into the funds of that country all profits resulting from investments in the Overseas Territories. In the case of sale or liquidation of the capital itself, however, the transfer depends on the origin of the capital investment. Any capital invested in U.S. dollars, Canadian dollars or Swiss francs can be transferred back into these currencies under an irrevocable guarantee of transfer in case of liquidation or sale of these capital assets. These conditions have been laid down by French law but may be implemented by a simple arrangement with the local exchange office. In addition, any fiscal arrangements which benefit capital investment from France apply equally to that from other countries. There are, in many cases, conditions under which an industry is exempt from local tax during the time it is being built up. Import taxes are reduced; so are taxes on income and registration duties. These arrangements follow the practice common in Canadian municipalities and under provincial legislation. And whatever benefits have been arranged for French capital also apply to capital from other countries.

## Significance to Canada

The fiscal facilities and guarantees offered to hard currency capital investment will almost certainly evoke a considerable amount of interest on the part of United States and Swiss investors and industrialists. In many fields, however, it would appear that conditions are ideal for certain types of Canadian enterprise.

As the following sections show, the main lines of development are expected to be agriculture, forestry, non-ferrous metals production, hydro-electric installations and, finally, the establishment of secondary industries. There may be some opportunities in all these fields.

Among agricultural developments, stress is being laid on rice culture; on sources of edible oils, such as peanuts, palm oil and coconuts; on the cultivation of cotton, cocoa, coffee, and, generally speaking, on all tropical and semi-tropical products.

Canadians may be interested in the fact that all these plans call for greater mechanization of agriculture and many require irrigation works, often tied in with hydro-electric developments.

## Possibilities in Agriculture

Plans are also afoot for developing cattle-breeding to supply beef in Madagascar and for dairy purposes elsewhere. These plans call for good quality breeding stock which Canada might furnish.

The movement of such stock or dairy products to market calls for the establishment of a chain of refrigeration from the producer to the consumer. Here again, Canada might be in a position to provide some of the equipment.

Forestry development might also appeal to Canadians though it is doubtful whether our techniques are suited

*Improving transport facilities has been the first step in implementing development projects in the French Overseas Territories. The photograph shows road-making material at work on a highway in Gabon, French Equatorial Africa.*

to the more tropical areas under survey at the present time. The major part of French Territories production consists of hardwoods, with which Canada has had little experience.

Nevertheless, with the extension in the use of pulpwood from various sources, plus the hydro-electric potentialities of the area, Canadian producers might wish to keep in touch with proposed developments.

### Mineral Production

Until recently, the exact nature of the mineral resources of the area under survey was not known. Apart from iron ore, which is being found in increasing quantities, copper is known to exist throughout Mauretania and Equatorial Africa, next to the copper-bearing areas of the Belgian Congo and of Rhodesia. Then there is manganese oxide, an ore needed in the production of high-speed steel. Canada uses a great deal of it and buys it largely from India and the Gold Coast. Now New Caledonia is producing 20,000 tons a year, Equatorial Africa has the resources to turn out 500 thousand tons a year, and West Africa has a mine said to be capable of producing up to 20,000 tons a year. Bauxite, a mineral refined into aluminum in Canadian plants, also is found in significant quantities in this area; in fact, the bauxite deposits found in French Guinea may be as valuable as any in the world. Already a Canadian company is interested in these deposits and is bringing in some 300 thousand tons of bauxite a year. They and other groups have options on other deposits which could greatly expand production. With hydro-electric power available, alumina might, in some cases, be produced on the spot to be shipped to Kitimat for refining.

New Caledonia in Oceania has traditionally been Canada's only successful competitor in the production of nickel. Although its output is possibly less than 10 per cent of Canada's, its ores might be the source of some 1,000 tons a year of cobalt. Chrome is another product of this area in which Canadian capital is already interested.

Madagascar is one of the recognized sources of pure graphite. At the present time it is producing about 18,000 tons a year and that production could be increased if necessary.

France is already the most important phosphates producer in the world because of its position in North Africa. However, Oceania already mines a quarter of a million tons a year and there are possibilities that in Senegal, West Africa, another 150 thousand to 500 thousand tons a year could be produced. It is unlikely that Canadian interests would find profit in the small diamond industry which is of some consequence to the area, nor is it likely that oil discoveries in Madagascar or elsewhere would attract Canadian enterprise.

### Industrial Development

Until all these developments have been worked on, it is doubtful whether Canadian industry would interest itself in building up secondary industry in these areas.

Nevertheless, it is interesting to note that in practically none of the territories is there any secondary industry. Brewing—one instance of early industrialization—has not yet been attempted; soapmaking has not been industrialized. There are many other possibilities connected with the textile industry, the sugar industry, flour, canneries, shipbuilding, processing of fruit juices and, perhaps, the production of construction materials. In all these sectors there are possibilities for the future.

Because of the continued shortage of dollars, a good part of the required equipment will continue to come from soft currency countries. However, investment is open to all sources of capital and such capital could, of course, be imported in the form of materials and equipment. Canadian industry might well examine the investment possibilities in this area.

## Tour of Territory

*T. R. G. Fletcher, Canadian Government Trad Commissioner in Hong Kong, will visit Taipe Taiwan, from March 14th to March 27th. Businessmen interested in Taiwan should get in touch wit Mr. Fletcher at Hong Kong as soon as possible.*

# CANADA at the UTRECHT FAIR

*This spring, for the third time since the war, Canada will send an official exhibit to the Royal Netherlands Industries Fair, to illustrate the opportunities for trade between the two countries.*

R. G. BROWN, *Canadian Government Exhibition Commission*

ONE OF THE INTERESTING FACTS about the Royal Netherlands Industries Fair at Utrecht is that it was first held to feature domestic trade and to show what the country could produce at a time when imports were largely cut off. As reported in this magazine in the issue of January 3, 1921, "the inauguration. . . was due to the Vereeniging Nederlandsch Fabrikaat (Made in Holland Society) which brought about the first fair at Utrecht in 1916." At that time the Netherlands was a small island of peace amid embattled nations.

Even amid the storms of the First World War, the fair brought profit to the exhibitors. Its scope was expanded when peace returned so that, as the Canadian Trade Commissioner of the day wrote, "It was decided to make the Utrecht Fair an international function and permanent quarters. . . will be available for the first international fair which will be held from the 6th to the 16th of September, 1921." The Royal Netherlands Industries Fair survived too the occupation and battles of the Second World War and today has become one of the most important in Europe.

## Range of Goods Displayed

There are many fairs held at Utrecht but it is the spring one which has attracted Canadian participation in recent years. It provides a representative picture of Dutch industrial production and also features a wide range of foreign products, exhibited either in collective national displays or by individual producers or their Dutch representatives. At the 1953 spring fair, thirty countries were represented by 4,027 exhibits, many of them arranged and set up by local agents. Buyers and businessmen from European countries attended, as well as a fair number from overseas.

The fair is held in two places: one, known as the Vredenburg site, features consumer goods and the other, the Croeselaan site, displays industrial and technical equipment. A free bus service connects the two and together they cover a total area of 1,210,000 sq. ft.

This spring the showings at Vredenburg will include electrical goods for the home, food and beverages, leather goods, musical instruments, pottery and chinaware, chemicals, perfumery and cosmetics, sports goods and toys, and textiles. At Croeselaan the visitor will find building materials and prefabricated units side by side with telecommunication equipment. There will be machinery for the building trade, for metal and woodworking, for printing, for the shoe and leather industry, for the textile and clothing industries.

## Canadian Participation Resumed

Before the outbreak of hostilities in 1939, Canada had for some years been officially represented at the Utrecht Fair. In the early postwar years, trading conditions did not warrant participation. In 1951, however, a survey of Canada-Netherlands trade and of the long-term potentialities for expansion indicated the value of again sending an official exhibit. Our first postwar showing came in 1952.

In view of the current restrictions in the Netherlands on the import of dollar commodities, it was decided to portray Canada's position as a world trading nation, together with a display of raw materials and semi-finished products. The exhibit occupied a space of 1,160 square feet in a special building at the Vredenburg site named the Hall of Nations and one of its main features was large export packing cases labelled "CANADA WORLD TRADER". The Dutch welcomed Canada's return to the Utrecht Fair and the interest shown was more than sufficient to warrant further participation.

## Last Year's Show

The 1953 Utrecht Fair was held from March 17 to 22; once again, Canada occupied a prominent position in the Hall of Nations. The theme of the exhibit was import and export trade, Canadian industrial development and the Canadian way of life, together with our capacity to produce raw materials and consumer goods for the markets of the world. Central feature of the exhibit was a large-scale model of a ship's derrick and slings loaded with commodities symbolizing two-way trade. The story of Canada's people, its expanding economy and its productive capacity was told in graphic and pictorial form.

A wide range of products—mainly supplied by Canadian manufacturers and producers—was on display to emphasize the story of Canadian production. These included wheat and coarse grains, macaroni and spaghetti, jams and marmalades, canned salmon and sardines, canned meats and pork and beans, maple sugar and syrup, tobacco, lumber and wood products, pulpwood and newsprint, aluminum and aluminum foil, special steels, copper sheet, wire and cable, abrasives, nephaline, asbestos, lead and zinc ingots, magnesium ingots and bars, nickel squares and shot, synthetic rubber, raw material for plastics, sporting goods, rubber boots, belting, shoes, hose and gloves, leather, fountain pens and pencils.

The staff on duty was under the direction of the Commercial Counsellor for Canada in The Hague. A small lounge and office in the Canadian exhibit provided a quiet spot where businessmen could obtain detailed information on trade with Canada. Every effort was made to secure favourable publicity and one of the highlights was the presentation of a burnished aluminum "Key to Canadian Trade" to Dr. Andrae Fockema, President of the Fair.

### The 1954 Fair

The Department of Trade and Commerce will again participate in the Utrecht Spring Fair, March 30 to April 8, 1954. The general theme of the exhibit will be the increasing opportunities for trade between the Netherlands and Canada and the main feature, a display of commodities including certain raw materials. One section will illustrate the Canadian standard of living and will highlight household appliances that are in daily use in the average Canadian home.

Canadian trade with the Netherlands is steadily increasing. Although imports from the dollar area are still under control, the Utrecht Trade Fair provides, nevertheless, an excellent medium for advertising those commodities which can be imported and for preparing the way for an aggressive selling campaign in the Netherlands market.

### Co-operation with Business

Canadian Government participation in the Utrecht Trade Fair is helping to keep the European business community informed of Canada's goods and resources, manufacturers and producers. The Department of Trade and Commerce is actively participating in this effort but its job is not to sell individual products but to represent Canadian producers as a whole. Canadian companies, either individually or in co-operation with the Department, can take steps themselves to place what they have to offer before the thousands attending the Utrecht Fair. ●

## Canada's Trade

*(continued from page 4)*

related both to productive investment and to consumers' investment. Automobile parts, rolling mill products, engines and boilers, and aircraft and parts (very largely parts) are important industrial materials; all are also related to investment activity. Imports of fuels are basic to all economic activity. Only one of the commodities listed, fruits, was primarily a simple consumers' good, requiring no further processing.

Only three of these leading imports declined in value in 1953. Imports of coal have trended downwards for several years, thanks to the competition of other fuels in the Canadian market. Imports of rolling mill products have tended to decline with the growth of the Canadian basic steel industry and a widening of the range of products produced in Canada. The decline in imports of aircraft engines likewise stemmed chiefly from the substitution of Canadian-made for imported engines in some aircraft made in Canada. All the other leading imports gained in value, although the comparatively small gain in imports of petroleum an petroleum products reflects the increased share of th Canadian market supplied by Canadian-produced an refined oil.

### Third Ranking World Trader

Canada's trade results in 1953 were generally impress ive when viewed in relation to those of other countries We again ranked third among the trading nations the world, well behind the United States and the Unite Kingdom but clearly ahead of both Germany an France. Canada also seems to have at least maintaine second rank in value of trade *per capita* (on the bas of preliminary information), well ahead of the oth leading world traders. The expansion of Canadi trade in recent years has more than equalled that world trade. In fact, the buoyant condition of Canada foreign trade since the end of World War II has be a major contribution to the prosperity of the domes economy in this period.

## Gift Parcels for Hungary

*Gift parcel service to Hungary has been resum says a recent announcement from the Post Offi Residents of Hungary or official charitable insti tions there may receive one gift parcel a month fr abroad, weighing up to 20 pounds; the annual li is 88 pounds. The list of articles that may included can be obtained from the Post Off Individuals receiving parcels must pay the us customs charges but for charitable institutions duty is waived. Under most circumstances, me cines (except those which contain narcotics) delivered duty-free.*

# SURINAM and trade opportunities

*Bauxite mining is the colony's economic mainstay but development of other industries is encouraged; the few import restrictions make this an attractive but an extremely competitive market.*

PAUL V. McLANE, *Canadian Government Trade Commissioner, Trinidad.*

SURINAM, OR NETHERLANDS GUIANA, covers some 55,000 square miles in the northeast part of South America, between British Guiana on the west and French Guiana on the east, with Brazil lying to the south. Though it is a colony of the Netherlands, it enjoys a large measure of self-government and exercises a large degree of control over its political and economic affairs. Its population of some 215 thousand is made up mainly of East Indians and Indonesians, plus about 3,000 Europeans and Chinese and a few thousand aborigines in the jungle.

This seems a small population for such a large area, but the country is heavily covered with dense tropical forests and only about one per cent is under cultivation. There is thus a heavy concentration of settlement in certain spots, principally along the rivers, where agriculture, industry and trade are carried on.

Paramaribo, 17 miles inland on the Surinam River, is the chief city and has some 90,000 inhabitants. It is the centre of Government and of trade and industry, and the main port. One Dutch steamship company has its own docks and other ships tie up at government docks.

### Further Development Imperative

The lack of diversified resources is a drawback to the development of the country. Some 2½ million tons of bauxite are produced each year and this industry is the country's economic backbone. It provides the bulk of the export trade and one-third of the revenue of the colony through an export tax. The timber trade has potentialities but most of the trees are inaccessible; logging is primitive for the most part and confined to the river banks. Since the war, however, a first class plywood plant has gone into operation and the output is finding a growing market abroad.

The alluvial coastal district is suited to growing rice, sugar, coffee, cocoa and citrus fruits. Cattle breeding is being encouraged but is still relatively unimportant.

Industrial development, with the exception of lumber and plywood, has not progressed far; it is centered principally in Paramaribo and caters to local demand. But new industries are encouraged and, in particular, the ready-made clothing industry, based on imported materials, is expanding. Early in 1945 a shoe factory was set up and a cigarette factory takes care of local requirements. Cosmetics and pharmaceuticals are also produced; so are soft drinks, bread and furniture. To improve living conditions there must be further development. To this end, a Mission from the International Bank for Reconstruction and Development recently studied the country's problems at first hand. As a result, a Prosperity Fund totalling Fl:100,000,000 was set up, to be financed chiefly by the Government of the Netherlands and Surinam. The objective is the expansion of agriculture, forestry, mining and industry and the building of roads, houses and schools.

### Main Exports in '53

In 1952, when the total trade reached Surinam Fl:45·9 million, bauxite exports represented Fl:36·4 million. The trade in wood products is gaining ground and shipments in 1952 were valued at Surinam Fl:4·3 million, of which over half was plywood. Most of the rice production is consumed at home but exports reached a total of Surinam Fl:2½ million. Citrus fruits are increasing in importance but competition is keen and exports amounted to only Surinam Fl:400 thousand. Coffee production has been falling but the cultivated area is being increased and exports in '52 were worth Surinam Fl:400 thousand. About four-fifths of the coconuts are used locally but some S.Fl:518 thousand worth were exported. Balata has had its ups and downs; in 1952 it brought in S.Fl:700 thousand. The United States was the chief customer in 1952, taking 78·8 per cent of the exports. Other foreign buyers were: Caribbean countries, 6·0 per cent; Netherlands, 8·6 per cent; Canada, 0·7 per cent, and Germany, 2·3 per cent.

### The Import Picture

Government exchange restrictions are in force and officially registered importers must obtain an import licence before they can buy foreign exchange to settle a specific transaction. They must also obtain import licences before placing orders abroad. Though licences are issued for a fixed period of three months, extensions and renewals are usually granted. There is no discrimination between imports from dollar or other sources and this makes the market here worth exploring. For the same reason, it is very competitive.

Imports of a few articles are prohibited and those of a number of commodities are restricted by a quota. These measures are taken to protect and encourage local industries. Licences are granted freely for all other goods.

A complete set of a normal import licence consists of four copies, one of which the importer can forward to the supplier. An import licence guarantees the allocation of foreign exchange for the life of the licence.

There are also some restrictions on importers and these guarantee the buyer's solvency. Importers who fail to honour sight drafts within one month after arrival of merchandise in Surinam or who fail to honour drafts within one month after due date are placed on an official black list. They are then denied import licences for three months in some cases and up to six months in others. Importers who have frequently ordered goods from abroad before obtaining licences can also be black-listed. The black list is not made public.

The import trade in 1952 was valued at S.Fl:56·5 million, up from S.Fl:45·8 million for the previous year, and about half the imports originated in the United States. This shows the preference for American products but the trade is aided by an excellent shipping service available on returning bauxite ships. Next in importance is the Netherlands, with 23·2 per cent, followed by Trinidad, 6·8 per cent; United Kingdom, 6 per cent; Canada, 2·4 per cent; Belgium, 2·3 per cent, and Germany, 2·2 per cent.

Some of the more important purchases from abroad were:

| *Commodity* | | *Value* |
|---|---|---|
| Manufactured goods of iron and steel | S.Fl: | 3·5 million |
| Agricultural machinery | | 2·6 " |
| Cotton manufactures | | 2·2 " |
| Wheat flour | | 1·6 " |
| Explosives | | 1·0 " |
| Pickled and salted meats | | 839 thousand |
| Medicinal preparations | | 705 " |
| Chemicals | | 471 " |
| Paper manufactures | | 448 " |
| Paints and varnishes | | 434 " |
| Canned fish | | 408 " |
| Fish, pickled and salted | | 404 " |
| Milk products | | 204 " |

## Trade with Canada

Canada's share in the trade of Surinam is small. With few exceptions, price is a decisive factor in sales, competition is keen, and there are a large number of importers and commercial agents. In many cases, wholesalers and retailers have their own connections abroad and as a result an agent may have access to only a small segment of the market. The exchange authorities do their best to weed out the insolvent and unreliable importers but the Canadian exporter must also exercise a certain amount of caution. The lack of direct shipping facilities between Canada and Surinam definitely handicaps the development of our trade. However, generally speaking, the market is wide open, there is an interest in Canadian products, and for many Canadian exporters a visit to Surinam could prove profitable.

Canada's sales to Surinam in 1952 totalled S.Fl:1,342,658, a slight increase from the previous year when the total was S.Fl:1,271,888. We supplied nearly half the pickled and salted fish, with sales amounting to S.Fl:186,523. Flour was our biggest seller at S.Fl:563,677, but the United States surpassed us with S.Fl:985,519. Canned fish (sardines and salmon principally) reached a total of S.Fl:176,011. Other commodities on our export list included: milk products, S.Fl:25,911; medicinal preparations, S.Fl:47,639; cotton manufactures, S.Fl:26,661; paper manufactures, S.Fl:10,979; explosives, S.Fl:73,751; weapons and ammunition, S.Fl:50,023; agricultural machinery, S.Fl:45,232, and vegetable oils, S.Fl:29,839.

## Loan for Ecuador

The Export-Import Bank has approved a credit of $2·5 million for Ecuador. The money will be used to modernize the airports in the two principal cities, Quito and Guayaquil, and bring them up to CAA standards. The cost of the two projects is expected to total more than $4·8 million and the Government of Ecuador will make up the other $2·3 million.

With this new loan, Ecuador's debt to the Exim Bank becomes $11·9 million. The country's foreign debts are as follows:

| | millions of U.S. dollars |
|---|---|
| Railway bonds | 31·6 |
| Salt certificates | 0·9 |
| Cóndor | 0·7 |
| Export-Import Bank | 11·9 |
| Other | 0·2 |
| | 45·3 |

In November, the Government of Ecuador passed a decree providing for the establishment of a sinking fund and resumption of interest payments on the railway bonds and salt certificates, the bulk of which are held in the United Kingdom. These bonds have not been serviced since 1929 and now that the Government has adopted a plan to liquidate them, the nation's international credit standing should improve.

## general notes

### Angola

OIL RESEARCH—Oil exploration in Angola (Portuguese West Africa) is receiving increased attention from the Portuguese Government. Three new wells have been drilled in the Santiago and Elolo regions during the past year. Government geologists definitely expect that important deposits of oil will be found on the south bank of the Quanza River in the Luanda area—Lisbon, Feb. 4.

### Argentina

TRADE AGREEMENT WITH POLAND—A compensatory trade agreement recently signed between Argentina and Poland provides for imports of considerable quantities of Polish spruce timber and flat window glass. Similar agreements with Brazil and Paraguay also provide for the purchase of considerable amounts of Polish hard and soft woods—Buenos Aires, Jan. 30.

### Australia

NEW PETROCHEMICALS PLANT—A new company, Petroleum & Chemical Corp. (Australia) Ltd., is planning to build a new plant at Silverwater near Sydney, with an authorized capital of £3 million, to make petrochemicals and light gases. Bitumen & Oil Refineries (Australia) Ltd. will take up 200 thousand shares and 300 thousand shares will be reserved for prior subscription by Boral shareholders. The company will buy heavy oils from Boral, and Boral will take some products of the new company for further processing and sale on a joint basis—Sydney, Jan. 25.

### Brazil

POWDERED MILK FACTORIES—President Vargas has approved a request from the Ministry of Agriculture asking that Congress include Cr.$13,350,000 in the 1954 budget for the construction of two powdered milk factories. The United Nations Children's Welfare Fund will contribute $498 thousand—Rio de Janeiro, Feb. 4.

STEEL TOOL FACTORY—A United States firm will install a factory in São Paulo to make tungsten steel tools. This company will import the tool steels from the U.S., but a representative stated that imports from the U.S. will be much less than the amount of raw materials, such as tungsten, which the company buys annually in Brazil—São Paulo, Jan. 28.

### Chile

IMPORTS OF MILKING COWS—Chile is studying the import of 5,000 milking cows from Argentina, Australia or Holland. Argentina has been asked to reduce the price offered. If a deal is eventually closed with Australia or Holland, settlement will be made under a barter scheme from proceeds of the sale of Chilean nitrate—Santiago, Jan. 29.

NEW OIL EQUIPMENT—Chile plans to increase petroleum activities in 1954. Provided the Concon refinery initiates operations in April, it is expected that present production will be stepped up to satisfy national requirements. The Financial Minister and the Minister of Mines have authorized the sum of US$500 thousand in favour of the National Petroleum Company to buy new equipment—Santiago, Jan. 29.

### Grenada

BROADCASTING SERVICE—Radio equipment from the United Kingdom has arrived in Grenada for the building of a 5 kw. transmitter, under supervision of BBC technicians. Short-wave programs from London, and transmissions originating locally and in adjacent islands, will be broadcast. After this main station is operating, smaller 250-watt stations will be built in St. Vincent, St. Lucia and Dominica. Funds for the project are coming from the Colonial Development and Welfare organization—Port-of-Spain, Jan. 29.

# Mexico: *Experiences a Mild Recession*

*The past year ended in an atmosphere of recession, with export values down and production declining. But new development plans should stimulate the economy in 1954.*

M. T. STEWART, *Commercial Counsellor, Mexico City.*

THE CLOSING MONTHS OF 1953 witnessed the growth of a business recession which is likely to continue this year. Shrinking foreign trade, severe losses in export values, falling production and the restriction of credit indicate that the postwar period of steadily growing inflation has ended. However, the nation's gold and dollar reserves did not decrease and the flow of long-term investment capital into Mexico has apparently not been interrupted.

An excess of imports of 240·2 million pesos in November brought the adverse balance of trade up to 1,722·3 million (approximately $200 million) at the end of eleven months. Exports of raw cotton fell off during the year because the crop was affected by drought, but the chief reason for the large decline in export totals was falling prices for metals and minerals in the United States. Mexico's efforts to diversify trade and to find new markets, particularly in Europe, were largely defeated last year, although Europe's sales to Mexico increased.

### Financial Situation

Current account transactions showed unofficially an adverse balance of $78,779,000 by the end of October. Gold and exchange reserves of the Bank of Mexico nevertheless recovered to $229 million on December 5—the same figure exactly as on December 5, 1952—and rose to $234 million on December 14. The amount of money in circulation, averaging 7,069·2 million pesos during the first nine months of the year compared with an average of 6,615·3 million in 1952, called for reserves of the equivalent of a little more than $200 million.

Bank clearings fell from an average of 5,089·6 million pesos through 1952 to 5,059·6 million in the first nine months of last year. A general securities index averaged 500·9 in January-October, compared with the 1952 average of 516·6. Industrial, banking and insurance securities fell off, although the announcement in August of subsidies for small mine operators caused mining securities to advance somewhat.

Canadian exports to Mexico declined last year by about $10 million and total trade between the two countries from $63 million in 1952 (the previous highest total was $50·6 million in 1950) to approximately $46 million. Until 1951, Mexico consistently enjoyed a favourable balance of trade with Canada. Since then the position has been reversed, chiefly because Mexico has failed to establish a firm market in Canada for its raw cotton; sales have varied in recent years from as much as $20 million to less than one million.

Smaller Canadian sales of wood pulp and automotive parts for assembly here accounted for most of the $10 million decline in our export trade with Mexico. Markets for newsprint, asbestos, ferro-alloys, farm machinery, aluminum and copper products were largely maintained, and an expanding market found for skim milk powder. Mexican peanut growers continue to rely on Canada as their only export market and sales of coffee, canned pineapple, tomatoes and vegetable fibres were average.

### Pattern of Imports Changes

Imports were maintained at 1952 levels of nearly 530 million pesos a month but they included corn (180 million pesos) and beans (100 million pesos)—basic foodstuffs which had, unexpectedly, to be bought abroad because of the smaller harvest. Imports of industrial equipment and machinery were up from 376 million pesos in the first ten months of 1952 to 499·4 million last January-October, but the value of imports of automotive parts for assembly fell some 110 million to 392·6 million pesos. Newsprint imports ran to 66·7 million compared with 87·8 million in the first ten months of last year, and there were persistent reports that newsprint (largely supplied for many years from Canada) might be made here soon. Rolling stock (108·4 million), iron or steel tubing, (62·4), tractors, (58·2) and natural or artificial rubber, (55·1 million) were other leading imports. As a result of increased domestic production, imports of pulp for papermaking fell from 77·5 to 31·4 million pesos.

The loss of export values was a serious one. Exports totalled 5,125·8 million pesos in 1952—an average

*Canadian newsprint continued to find a good market in Mexico during 1953, as these rolls, being unloaded on the dock at Vera Cruz, testify.*

of 427 million a month—and fell last year to an average of 376 million. Cotton sales in January-October were off 120 million pesos; lead, 273 million; zinc, 230 million. Copper sales held their 1952 average of over 27 million pesos a month and sales of refined silver were up from 10 to 18 million a month. Mexico is finding expanding markets for fresh, refrigerated and canned fish and shellfish and exported an average of over 30 million pesos a month last January-October. A recurrence of foot and mouth disease obliterated a potential market in the U.S. for about $70 million a year of beef on the hoof and it is unlikely that the U.S. will rescind quarantine legislation during 1954.

## Trade Outlook Brighter

Foreign trade balances should improve this year. Bean and corn crops are expected to meet domestic needs and a million bales of cotton should be available for export. Coffee growers anticipate that exports in the current crop year, beginning last October 1, will equal or exceed the million bags which were sold abroad for $85·9 million in 1952-53. Wheat crops also have increased notably. In 1948-52, Mexico grew enough for only 60 per cent of domestic requirements and imports varied between 320 thousand and 350 thousand metric tons a year. The crop jumped to 670 thousand tons last year and may reach 800 thousand tons this year, cutting imports to 100 thousand tons. The sugar cane harvest, which started early in November, will yield an estimated 800 thousand metric tons of sugar—60,000 tons more than in 1952-53.

## Industrial Production

The iron and steel industry worked at only 60 per cent of capacity last year and produced 450 thousand metric tons. It is preparing to put into operation a coking plant with a capacity of 450 thousand tons a year and, in 1955, a new smelting plant in the state of Durango. Production indices declined also in industrial metals, textiles, beer and cigarettes, clothing, automotive assembly, rubber goods, industrial chemicals, cotton and woollen textiles, paper mill products, electrical items, pharmaceuticals and leather goods. Department store sales in the Federal District fell off by 4 to 6 per cent and a nation-wide index of retail sales by more than 10 per cent. Credit was tight and for the first time since 1945 collections were reported to be lagging.

Sulphur is a bright spot in the industrial and export picture. Production increased from 2,100 tons in 1948 to 94,000 tons last year, and with more surface mines scheduled to go into operation this year, annual capacity may reach 400 thousand metric tons by 1955.

## Future Developments

The means by which Mexico will develop its economy in the immediate future were indicated by the allocation of more than 25 per cent of the 4,827·7 million peso national budget for 1954 to the Secretariat of Communications and the Department of Marine. A "March to the Sea" program announced by the new administration calls for vast works of river control, electrification, irrigation and the opening-up of new farm lands in the Papaloapan and Grijalva regions of the awakening southeast and in the Tepalcatepec area of the rich agricultural state of Michoacan. People already are being moved from unproductive upland regions to richer coastal lands and ports on the Gulf and Pacific coasts are being enlarged and equipped.

The construction or improvement of highways and railways, particularly in the southeast, is planned to make large new areas and populations more economically active and to bring them into a closer relationship with the rest of the country. Even greater emphasis is given to this aspect of national life by the allotment of 516 million pesos—the third largest allocation in the Budget—to the Secretariat of Hydraulic Resources, which is concerned exclusively with irrigation works.

This national effort to improve ports and communications, open new crop lands and at the same time speed up the industrialization program which has progressed so far in the past 15 years will cushion the effects of any widespread recession in the rest of the world and ensure Mexico's future strength. ●

# Japan Buys Wheat and Barley

*Short crops and high prices for rice have forced Japan to buy more wheat products and pressed barley as substitutes. Canada is profiting from this increased demand.*

J. C. BRITTON, *Commercial Counsellor for Canada, Tokyo.*

JAPANESE EATING HABITS have been changing and, as a result, Japan's imports of wheat and barley have been rising. The shift from the traditional and popular rice staple to wheat products and pressed or processed barley has come about gradually during the past 15 years—but the short rice crop in 1953 should speed it up. The change, an undesirable one to some segments of the population, is the combined result of the scarcity of rice and its higher price compared with wheat and barley.

Consumption of wheat products in Japan increased by almost 50 per cent between 1952 and 1953. The demand for pressed or processed barley has also been rising steadily and in 1953 increased by 500 thousand metric tons over the previous year. At present, the average prices for imported grains in Japan are: rice, around $200 c.i.f. per metric ton; wheat, $76, and barley, $65. The probability that the price of imported rice will continue to be well above that of imported wheat or barley is an important factor in the swing from rice to other grains.

### Grain Imports Necessary

Japan's population, now around 87 million, is increasing by more than one million a year. It is estimated that 40 million Japanese earn a full or part-time livelihood from agriculture. This huge pool of skilled farm labour makes use of almost every available acre of arable land. Intensive cultivation methods are practised and improved methods have been adopted, but the land available is not sufficient to decrease Japan's dependence on imported foods. About five million metric tons of rice, 1·7 million of wheat and 900 thousand of barley are used every year. Normal annual grain imports average from 900 thousand to one million metric tons of rice, 1·5 to 1·6 million tons of wheat, and 700 to 800 thousand tons of barley. The record in recent years indicates that normal years are the exception rather than the rule. For example, to meet the deficiency in grains resulting from the reduced 1953 rice crop, Japan plans to import in 1954, 1,963,000 tons of wheat, 1,145,000 tons of rice, and 1,033,000 tons of barley.

The growing popularity of bread among the younger Japanese, particularly noticeable since the end of the war, is another factor in the demand for wheat products. Noodles too are traditionally popular with all Japanese and the consumption of pastry has been steadily rising. It is probable that the popularity of bread will continue to grow, particularly if butter, margarine and other spreads are made available at reasonable prices. Bread now forms part of the Japanese school lunch program and sandwiches can be purchased freely in the cities and towns. However, the middle-aged or older people are unlikely to switch from rice to wheat or barley products, unless circumstances compel them.

### Canadian Wheat Preferred

Japan's more than 3,500 flour mills include many small mills with a very limited daily output and a number of large mills superior to any others in southeast Asia and the Far East. The total daily output of these mills is estimated at 210 thousand barrels, exceeding domestic demand by a considerable margin and leaving a fairly substantial surplus for export. The leading Japanese mills are exporting flour to Korea, Okinawa, Formosa and Hong Kong, and are seeking other markets in the area.

Fifty per cent of Japanese flour is used for noodles, 40 per cent for bread, and 10 per cent for cake and pastry. Millers in this country definitely prefer to use Canadian wheat for the manufacture of flour for bread, and the demand for hard Canadian wheat should increase as bread consumption rises.

### Baking Industry Expands

The number of bakeries in Japan has increased sharply in recent years to meet the demand for bread. The majority of Japanese homes are not equipped with ovens suitable for baking bread and the consumers secure practically all their requirements from the more than 20,000 bakeries located in all parts of Japan. There are a number of modern bakeries in the larger cities but the majority of them are small establishments. The bread produced is, according to some experts, of good quality and, since the leading Japanese flour mills produce enriched flour, the benefits are passed along to the consumer. The bakers in Japan as elsewhere have indicated a preference for flour milled from Canadian hard wheat.

### Pressed Barley Gains Popularity

Pressed or processed barley is a product evolved in Japan and used as a food extender. Mixed with rice, it has been used on a small scale for many years, particularly in the country districts. The industry expanded rapidly during and after the war and there are now more than 3,000 pressed barley mills in Japan, most of them with a limited productive capacity. The combined output of all the mills in 1953 was reported to be 1·5 million metric tons, compared with one million metric tons in 1952. The manufacturing process is relatively simple, the end product resembles oatmeal and is attractive and comparatively cheap. Pressed barley is gaining in popularity with the rank and file Japanese who regard it as a highly palatable boiled grain food. Processors prefer domestic barley, followed by Australian, Canadian, and United States varieties. The important considerations are a colour similar to rice, a high rate of extraction, and a size and appearance when finished that is as close as possible to rice. The growing demand for pressed barley can only be met by increasing imports since local production falls far short of requirements.

### Market Prospects

Japan must rely on grain imports to meet the needs of its growing population. In the fiscal year 1951, imported grain cost Japan $246 million; in 1952, $399 million; and in 1953, an estimated $560 million. Wheat and barley require much less foreign exchange than rice and, consistent with the needs and dietary habits of the people, purchases of these two grains may be increased as long as the price of rice remains at or near the present level. The overriding consideration governing the purchase of Canadian wheat and barley is the availability of foreign exchange. Japan's dollar earnings have been substantial during the past three years, but there is evidence that they may decline in 1954. However, Canadian wheat and barley are popular with Japanese processors and Canada may expect to share in any increased purchases of these two grains.

## Dollar allocations *for Japanese imports*

JAPAN'S REGULAR FOREIGN EXCHANGE BUDGETS for the import of commodities are set semi-annually—on April first and October first. The current plan for the last half of the fiscal year 1953-54 provided for the import of $1,335,000,000 worth of commodities and has proved to be inadequate. Heavy speculative purchases have been made of such goods as scrap copper, scrap steel, cotton waste, and wool rags which, until January 9, 1954, had been included in the list of imports for which exchange is automatically authorized.

The result was that the original allocation of $90 million was exhausted early in the year and the Automatic Approval System temporarily suspended on January 9th. An additional $34·5 million was then allocated to reinstate this system, $30 million of which was earmarked for the dollar area. However, at the same time, iron and copper scrap, copper alloy scrap, beef tallow, wool shoddy and rags, and cotton waste were deleted from the Automatic Approval List and now become subject to individual import licences.

On January 20th it was announced that a further $11,611,000 of foreign exchange had been set aside to cover imports of twelve classes of items during the current budget period. Of the $11·6 million, $6,354,000 is for dollar area imports, including:

Cow hides
Cotton linter pulp
Raw cotton
Asbestos
Non-ferrous ores
Non-ferrous metal goods
Non-ferrous scrap
Platinum
Refractories
Tobacco
Goat and sheep skins
Miscellaneous

As a result of these further allocations of foreign exchange, Japan's international balance of payments for the current year may result in a deficit of over $250 million. In view of the Japanese Government's economy and deflationary fiscal policies, some importers expect a serious reduction in the amount of foreign exchange they will be allotted for the period April 1 to September 30, 1954. However, domestic prices of Japanese commodities advanced an average of 6·6 per cent in 1953 and consumer goods 16·6 per cent. Although capital goods increased only 2·2 per cent in price, these advances are in striking contrast to the general decline in world prices. Drastic curtailment of imports might encourage hoarding to the detriment of the price structure and hinder Japan's drive for exports and access to cheaper raw materials.

# trade and tariff regulations

### Austria

CERTAIN TARIFF REDUCTIONS RENEWED—Austria has published a list of goods on which customs duties will be suspended or reduced from the beginning of this year until June 30. A similar list has been in force during 1953 and very few changes have resulted from the publication of the new list.

Among the items of interest to Canada, duties continue to be suspended on wheat, rye, barley, oats, wheat flour, raw artificial silk and antibiotics excluding penicillin. Reduced duties remain applicable to fresh apples, certain synthetic resins, and various parts of automobiles—Berne, January 27.

*Information concerning individual goods on which Austrian duties are suspended or reduced may be obtained from the International Trade Relations Branch of the Department.*

### Ecuador

REVISED IMPORT AND EXCHANGE CONTROLS—In conjunction with the adoption of a new tariff schedule (see *Foreign Trade* of December 19), certain revisions to the Ecuadorean import and exchange controls were introduced. These revised controls went into effect on January 1, 1954.

Formerly, permitted imports were divided into three categories according to their essentiality. Goods in category A and B were importable at the official rate of exchange—15·15 sucres to the United States dollar —with an exchange surcharge of 33 per cent of the c.i.f. value being levied on category B imports. Category C imports were subject to a surcharge of 44 per cent and had to be paid for with exchange bought at the free rate—about 17·5 sucres to the United States dollar.

Under the revised system, the exchange surcharges have been incorporated into the new tariff schedule, and are no longer levied as charges on exchange. Also, the items formerly in category A and B have been consolidated into one list. The system of exchange rates remains unchanged. However, for items formerly in list B, the importer must deposit 50 per cent of the value of the appropriate customs duty before an import licence will be issued. For imports of goods in category C, now called list No. 2, the deposit required is 70 per cent of the duty.

All goods remain subject to prior import licensing. A copy of the respective licence must be presented to the Ecuadorean Consul in Canada in order to legalize the shipping documents. Products not included in the two lists will not normally be authorized for import.

Details of the regulations applicable to any specific commodity will be supplied, on request, by the International Trade Relations Branch.

### Greece

MACHINERY IMPORT REGULATIONS RELAXED—The import of machinery not manufactured in Greece, in quantities adequate for present domestic requirements, no longer requires the prior approval of the Ministry of Industry, according to a decision dated December 22, 1953, of the Greek Ministries of Industry and Commerce. With this decision, import controls are still further relaxed in Greece.

This relaxation is of interest to Canadian machinery exporters and manufacturers, especially of agricultural machinery such as tractors and combines which now no longer require these special permits. Prior approval is still required for the import of machinery and spare parts adequately manufactured in Greece, including ploughs and harrows and parts thereof.

Information concerning machinery items remaining under control may be obtained from the International Trade Relations Branch, Department of Trade and Commerce—Athens, Jan. 11.

### Italy

IMPORT QUOTA FOR ANIMAL TALLOW—Italy has established an import quota for $5 million for inedible animal tallow from dollar countries, including Canada. This quota is valid until the end of 1954.

The origin of shipments under this quota should be proved by certificates of origin. It is not sufficient that the Italian customs ascertain the origin of the tallow from bills of lading showing Italy as the direct destination—Rome, Jan. 15.

### United Kingdom

LICENSING ARRANGEMENTS FOR DRIED WHITE BEANS—The Board of Trade, in Notice to Importers No. 621, announces that imports of dried white beans, other than soya beans and beans for sowing, may be imported into the United Kingdom under Open Individual licence.

The Board of Trade is prepared to consider applications for licences to import dried white beans from any source.

### United States

QUOTA ON GROUNDFISH FILLETS—The United States Bureau of Customs has announced that for 1954 the import quantity of fresh or frozen fillets of cod, haddock, hake, pollock, cusk, and rosefish to be granted the reduced rate of $1\frac{7}{8}$ cents a lb., under Tariff Paragraph 717(*b*), has been set at 33,950,386 pounds. This is a slight increase over the 1953 low-rate quota.

Tariff Paragraph 717(*b*) provides that the aggregate quantity entitled to the $1\frac{7}{8}$ cents a lb. reduced rate shall be not more than 15 per cent of the average annual consumption of such fish during the three preceding calendar years. All imports above the quota are subject to the higher rate of $2\frac{1}{2}$ cents a lb.

Of the total quantity of fish (33,950,336 pounds) entitled to entry at the rate of $1\frac{7}{8}$ cents a pound during the calendar year 1954, not more than one-fourth shall be so entitled during the first three months, not more than one-half during the first six months, and not more than three-fourths during the first nine months of the year—Washington, Feb. 5.

# Anglo-Japanese Trade Agreement

THE ANGLO-JAPANESE TRADE PACT for 1954 must be viewed in the light of Japan's problem of balancing accounts with the sterling area. Her requirements of many of the materials which come predominantly from this area have increased. At the same time, she has found it more and more difficult to sell to sterling area countries because of the controls which they have placed on imports. The only solution for Japan was to cut back sterling area imports to the amount of sterling available to pay for them.

The United Kingdom, for her part, was anxious to avoid any reduction in sales to Japan which, with her neighbours, represents a trading area second in importance only to North America. Meetings were therefore held in London between a Japanese delegation and the British Government Departments concerned. The result was an Anglo-Japanese trade pact for 1954 which visualizes a total of about £210 million worth of sterling area exports to Japan, compared with a total of £240 million in 1953. Japanese exports to the sterling area are expected to increase from £130 million in 1953 to about £210 million this year, thus bringing the account into balance.

It is expected that the major portion of the £80 million additional Japanese exports to the sterling area will be marketed in the Colonial territories, Australia, and South Africa. The United Kingdom will increase her own purchases from Japan by issuing import quotas for a number of traditional Japanese products. A quota of £3 million has been established for Japanese grey cloth—a somewhat smaller sum than the value of these imports a few years ago. The cloth will have to be re-exported after processing. Other quotas include £300 thousand for apparel and a similar amount for cotton and rayon piece goods; £150 thousand for toys; £80,000 for buttons and studs; £50,000 each for pottery, paper manufactures and brooms and brushes; £40,000 for lacquerware and certain fancy goods and £25,000 each for electric lamps, lamp bulbs and lighting appliances.

Colonial Governments have been informed that they may import from Japan in 1954 up to their estimated requirements for their own consumption and for the entrepôt trade. This is expected to enlarge the market for Japanese cotton textiles in particular. The United Kingdom cotton industry has expressed concern over the adverse effect this may have upon British shipments.

The Agreement aims at safeguarding the turnover of more than £400 million of sterling area trade—an important segment in a total turnover of approximately £6 billion.

R. P. BOWER, *Commercial Counsellor, London.*

*The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.*

Conversion into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·03392.

# foreign exchange rates

| Country | Unit | Type of Exchange | Canadian dollar equiv. Feb. 8 | Notes (See below) |
|---|---|---|---|---|
| Argentina | Peso | Preferential buying | ·1289 | |
| | | Basic buying | ·1934 | |
| | | Preferential selling | ·1934 | (1) |
| | | Basic selling | ·1289 | |
| | | Free | ·06962 | |
| Austria | Schilling | | ·03720 | |
| Australia | Pound | | 2·1760 | |
| Belgium Luxembourg & Belgian Dependencies | Franc | | ·01939 | |
| Bolivia | Boliviano | Official | ·00509 | |
| British West Indies | Dollar | | ·5667 | (3) |
| | Pound | | 2·7200 | (4) |
| | Dollar | Brit. Honduras | ·6800 | |
| Brazil | Cruzeiro | Official selling | ·05139 | tax 8% ✓ imports |
| | | Effective buying | 03410 | (2) |
| | | Coffee buying | ·04140 | (5) |
| Burma | Kyat | | ·2031 | |
| Ceylon | Rupee | | ·2040 | |
| Chile | Peso | Official | ·00879 | (1) |
| Colombia | Peso | Basic | ·3869 | |
| Costa Rica | Colon | Official | ·1723 | (6) |
| | | Controlled free | ·1456 | |
| Cuba | Peso | | ·9672 | tax 2% |
| Czechoslovakia | Koruna | | ·1343 | |
| Denmark | Krone | | ·1400 | |
| Dominican Republic | Peso | | ·9672 | |
| Ecuador | Sucre | Official | ·06448 | |
| | | Free | ·05568 | |
| Egypt | Pound | | 2·7773 | |
| Fiji | Pound | | 2·4504 | |
| Finland | Markka | | ·00420 | |
| France | Franc | | ·00276 | |
| French Africa | Franc | | ·00553 | |
| French Pacific | Franc | | ·01520 | |
| Germany | D Mark | | ·2303 | |
| Greece | Drachma | | ·000032 | |
| Guatemala | Quetzal | | ·9672 | |
| Haiti | Gourde | | ·1934 | |
| Honduras | Lempira | | ·4836 | |
| Hong Kong | Dollar | Free | ·1666 | *Jan. 29 |
| Iceland | Krona | Official | ·05939 | |
| | | Special buying | ·04572 | |
| | | Special selling | ·03684 | |
| India | Rupee | | ·2040 | |
| Indonesia | Rupiah | Basic | ·08484 | (7) |
| Iran | Rial | Official | ·02999 | |
| | | Certificate | ·01072 | |
| Iraq | Dinar | | 2·7081 | |

---

* Latest available quotation date.

| Country | Unit | Type of Exchange | Canadian dollar equiv. Feb. 8 | Notes (See below) |
|---|---|---|---|---|
| Ireland | Pound | | 2·7200 | |
| Israel | Pound | Effective basic | ·9672 | |
| | | Premium | ·5373 | |
| Italy | Lira | | ·00155 | |
| Japan | Yen | | ·00269 | |
| Lebanon | Pound | Free | ·3046 | |
| Mexico | Peso | | ·1118 | |
| Netherlands | Guilder | | ·2555 | |
| Netherlands Antilles | Guilder | | ·5129 | |
| New Zealand | Pound | | 2·7200 | |
| Nicaragua | Cordoba | Effective buying | ·1465 | (8) |
| | | Official selling | ·1371 | |
| | | With Surcharge I | ·1201 | |
| | | With Surcharge II | ·09623 | |
| Norway | Krone | | ·1354 | |
| Pakistan | Rupee | | ·2923 | |
| Panama | Balboa | | ·9672 | |
| Paraguay | Guarani | Basic | ·06448 | (1) |
| | | With Surcharge I | ·04605 | |
| | | With Surcharge II | ·03223 | (9) |
| Peru | Sol | Certificate | ·04472 | |
| Philippines | Peso | | ·4836 | tax 17% (2) |
| Portugal | Escudo | | ·03375 | |
| El Salvador | Colon | | ·3869 | |
| Singapore & Malaya | Straits dollar | | ·3173 | |
| South Africa (Union of) | Pound | | 2·7200 | |
| Spain & Dependencies | Peseta | Basic buying | ·04416 | |
| | | Basic selling | ·08620 | |
| | | Basic commercial selling | ·05888 | (1) |
| | | Free | ·02483 | |
| Sweden | Krona | | ·1870 | |
| Switzerland | Franc | | ·2255 | |
| Syria | Pound | Free | ·2720 | *Jan. 15 |
| Thailand | Baht | Official | ·07737 | (1) |
| | | Free | ·04623 | *Dec. 30 |
| Turkey | Lira | | ·3454 | |
| United Kingdom | Pound | | 2·7200 | |
| United States | Dollar | | ·9672 | |
| Uruguay | Peso | Official | ·6367 | |
| | | Basic buying | ·5433 | |
| | | Special buying | ·4115 | (1) |
| | | Basic selling | ·5090 | |
| | | Special selling | ·3947 | |
| Venezuela | Bolivar | | ·2887 | (10) |
| Yugoslavia | Dinar | | ·00322 | |

* Latest available quotation date.

# notes

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Brazil: Effective import rate is official rate plus free certificate rate. Certificate rate varies according to commodity.
6. Costa Rica: Official rate applies to all Costa Rican exports.
7. Indonesia: Basic rate applies to all exports and essential imports. Rupiah value for other than essential imports is reduced by 33⅓ per cent, 100 per cent or 200 per cent depending on product.
8. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
9. Paraguay: Basic rate applies to most Paraguayan exports.
10. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11, 1952.

**ARGENTINA**
Ottawa—Economic Attaché, Embassy of Argentina, 193 Sparks Street.
Montreal—Consul General of Argentina, 1111 Beaver Hall Hill.

**AUSTRALIA**
Montreal—Australian Government Trade Commissioner, 1255 Phillips Square.
Vancouver—Australian Government Trade Commissioner, 643 Hornby Street.

**AUSTRIA**
Ottawa—Chargé d'Affaires a.i., Legation of Austria, 136 Queen Street.
Montreal—Austrian Trade Delegate, 1507 Crescent Street.

**BELGIUM**
Montreal—Consul General of Belgium, 709 Sun Life Bldg.

**BOLIVIA**
Montreal—Consul General of Bolivia, 5612 Canterbury Avenue.

**BRAZIL**
Montreal—Commercial Attaché, Brazilian Government Trade Bureau, Room 302, 400 St. James Street West.

**BRITISH GUIANA**
Montreal—Trade Commissioner for British Guiana, 37 Board of Trade Bldg.

**BRITISH HONDURAS**
Montreal—Trade Commissioner for British Honduras, 37 Board of Trade Bldg.

**BRITISH WEST INDIES and THE BAHAMAS**
Montreal—Trade Commissioner for British West Indies and The Bahamas, 37 Board of Trade Bldg.

# foreign commercial representatives in Canada

**CHILE**
Montreal—Consul General of Chile, 1410 Stanley Street.
Vancouver—Consul of Chile, 550 Beatty Street.

**CHINA**
Ottawa—First Secretary and Consul, Suite 16, Roxborough Apartments.
Vancouver—Consul of Colombia, 550 Beatty Street.

**COLOMBIA**
Ottawa—Commercial Attaché, Embassy of the Republic of China, 201 Wurtemberg Street.
Montreal—Consul General of Colombia, 443 Prince Albert Street, Westmount.
Toronto—Consul General of Colombia, 499 Oriole Parkway.
Vancouver—Consul General of China, 510 Hastings Street West.

**COSTA RICA**
Montreal—Consul General of Costa Rica, 434 Elm Avenue, Westmount.

**CUBA**
Montreal—Consul General of Cuba, 1117 St. Catherine Street West.

**CZECHOSLOVAKIA**
Montreal—Commercial Attaché of Czechoslovakia, 1255 Phillips Square.

**DENMARK**
Ottawa—Royal Danish Legation, 451 Daly Avenue.
Montreal—Consul, Royal Danish Consulate, Room 815, Keefer Building, 1140 St. Catherine Street West.

**DOMINICAN REPUBLIC**
Ottawa—Consul General of the Dominican Republic, 20 Bower Street.
Montreal—Consul General of the Dominican Republic, Apt. 4, 3201 Forest Hill Avenue.

**ECUADOR**
Montreal—Consul General of Ecuador, 271 Glengarry Avenue, Mount Royal.

**EGYPT**
Ottawa—Vice-Consul, Egyptian Consulate General, Room 616, Chateau Laurier.

**EL SALVADOR**
Montreal—Consul General of El Salvador, Apt. 14, 1452 Bishop Street.

**FINLAND**
Ottawa—Second Secretary, Legation of Finland, 140 Wellington Street.

**FRANCE**
Ottawa—Commercial Counsellor to the French Embassy, 464 Wilbrod Street.
Montreal—Commercial Attaché of France, 610 St. James Street West.
Toronto—Commercial Attaché of France, 185 Bay Street.

**GERMANY**
Ottawa—First Secretary (Commercial Affairs), Embassy of the Federal Republic of Germany, 580 Chapel Street.
Montreal—Consulate General of the Federal Republic of Germany, 1529 McGregor Street.
Toronto—Consulate of the Federal Republic of Germany, 77 York Street.
Vancouver—Consulate of the Federal Republic of Germany, 213-214 Crown Bldg., 615 West Pender Street.

**GREECE**
Ottawa—First Secretary, Royal Greek Embassy, Suite 110, Chateau Laurier.

**GUATEMALA**
Montreal—Consul General of Guatemala, 401 Metcalfe Avenue, Westmount.

**HAITI**
Ottawa—Consul General of Haiti, 18 Rideau Street.
Montreal—Consul of Haiti, 1405 Bishop Street.

**HONDURAS**
Montreal—Consul General of Honduras, 1117 St. Catherine Street West.

**INDIA**
Ottawa—Second Secretary (Commercial), Office of the High Commissioner for India, 200 MacLaren Street.

**INDONESIA**
Ottawa—Chargé d'Affaires a.i., Indonesian Embassy, 140 Wellington Street.

**IRAQ**
The Consul General of Lebanon is in charge of Iraqi interests. See address below.

**IRELAND**
Montreal—Irish Trade Representative (Irish Export Promotion Board), 1015 Beaver Hall Hill.

**ISRAEL**
Ottawa—First Secretary, Legation of Israel, 45 Powell Avenue.
Montreal—Consul General of Israel, Bank of Montreal Bldg., 1260 University Street.

**ITALY**
Ottawa—Commercial Attaché, Embassy of Italy, 133 Sparks Street.

**JAPAN**
Ottawa—Second Secretary (Commercial), Embassy of Japan, Room 701, Metcalfe Bldg.
Vancouver—Japanese Consulate, 510 Hastings Street West.

**LEBANON**
Ottawa—Consul General of Lebanon, 470 Wilbrod Street.

**LUXEMBOURG**
Montreal—Consul General of Luxembourg, 4832 Western Avenue.

**MEXICO**
Montreal—Consul General of Mexico, Room 506, Castle Bldg.

**MONACO**
Montreal—Consul of Monaco, Room 35, 35 Notre Dame Street West.

**NETHERLANDS**
Ottawa—Commercial Counsellor, Embassy of the Netherlands, 168 Laurier Avenue East.
Montreal—Netherlands Consulate, 1103 Castle Bldg., 1410 Stanley Street.
Toronto—Netherlands Consulate, 159 Bay Street.
Vancouver—Netherlands Consulate, 475 Howe Street.

**NEW ZEALAND**
Montreal—New Zealand Trade Commissioner, Room 609, Sun Life Bldg.

**NORWAY**
Ottawa—Secretary, Norwegian Legation, 140 Wellington Street.
Montreal—Vice-Consul of Norway, 1410 Stanley Street.

**PAKISTAN**
Ottawa—Commercial Attaché to the Pakistan High Commissioner, 499 Wilbrod Street.

**PERU**
Ottawa—Second Secretary, Embassy of Peru, 539 Island Park Drive.

**POLAND**
Ottawa—Acting Commercial Attaché of the Polish Legation, 183 Carling Avenue.

**PORTUGAL**
Ottawa—Legation of Portugal, 285 Harmer Avenue.
Montreal—Consul of Portugal, 1499 Bishop Street.

**SPAIN**
Ottawa—Commercial Office, Spanish Embassy, 149 Daly Avenue.

**SWEDEN**
Ottawa—Secretary, Royal Legation of Sweden, 720 Manor Road, Rockcliffe Park.
Montreal—Commercial Secretary, Royal Consulate General of Sweden, 1511 Bishop Street.

**SWITZERLAND**
Ottawa—Secretary, Swiss Legation, 5 Marlborough Avenue.
Montreal—Consul General of Switzerland, 1572 McGregor Street.
Toronto—Consul of Switzerland, 600 University Avenue.
Vancouver—Acting Consul of Switzerland, 402 West Pender Street.
Winnipeg—Acting Consul of Switzerland, 210 Mitchell-Copp Bldg., 334 Portage Avenue.

**THAILAND**
Toronto—Consul of Thailand, 200 Bay Street.
Vancouver—Consul of Thailand, 5416 Marguerite Street.

**TURKEY**
Ottawa—Turkish Embassy, 197 Wurtemberg Street.

**UNION OF SOUTH AFRICA**
Ottawa—Commercial Secretary, Office of the High Commissioner for the Union of South Africa, 15 Sussex Street.

**UNION OF SOVIET SOCIALIST REPUBLICS**
Ottawa—Representative of the Commercial Counsellor, Embassy of the USSR, 285 Charlotte Street.

**UNITED KINGDOM**
Ottawa—United Kingdom Senior Trade Commissioner and Economic Adviser to the High Commissioner, 56 Sparks Street.
Edmonton—United Kingdom Trade Commissioner for Alberta, 10053 Jasper Avenue.
Montreal—United Kingdom Trade Commissioner for Quebec, United Kingdom Trade Commissioner for the Maritimes and Newfoundland, 1111 Beaver Hall Hill.
Toronto—United Kingdom Trade Commissioner for Ontario, 67 Yonge Street.
Vancouver—United Kingdom Trade Commissioner for British Columbia, 850 West Hastings Street.
Winnipeg—United Kingdom Trade Commissioner for Manitoba and Saskatchewan, 403 Royal Bank Building.

**UNITED STATES**
Ottawa—Commercial Attaché, Embassy of the United States, 100 Wellington Street.
Calgary—Consul of the United States, Toronto General Trusts Bldg.
Edmonton—Consul of the United States, 214 Empire Block.
Halifax—Consul General of the United States, Bank of Nova Scotia Bldg.
Montreal—Consul General of the United States, 1410 Stanley Street.
Niagara Falls—Consul of the United States, Newman Hill, Falls Street.
Quebec—Consul of the United States, 65 St. Ann Street.
Saint John—Consul of the United States, 204 Union Street.
St. John's—Consul General of the United States, King's Bridge Road.
Toronto—Consul General of the United States, 360 University Avenue.
Vancouver—Consul General of the United States, 355 Burrard Street.
Windsor—Consul of the United States, Guaranty Trust Bldg.
Winnipeg—Consul General of the United States, 402 Tribune Bldg.

**URUGUAY**
Ottawa—Chargé d'Affaires a.i., Legation of Uruguay, Room 726, Chateau Laurier.

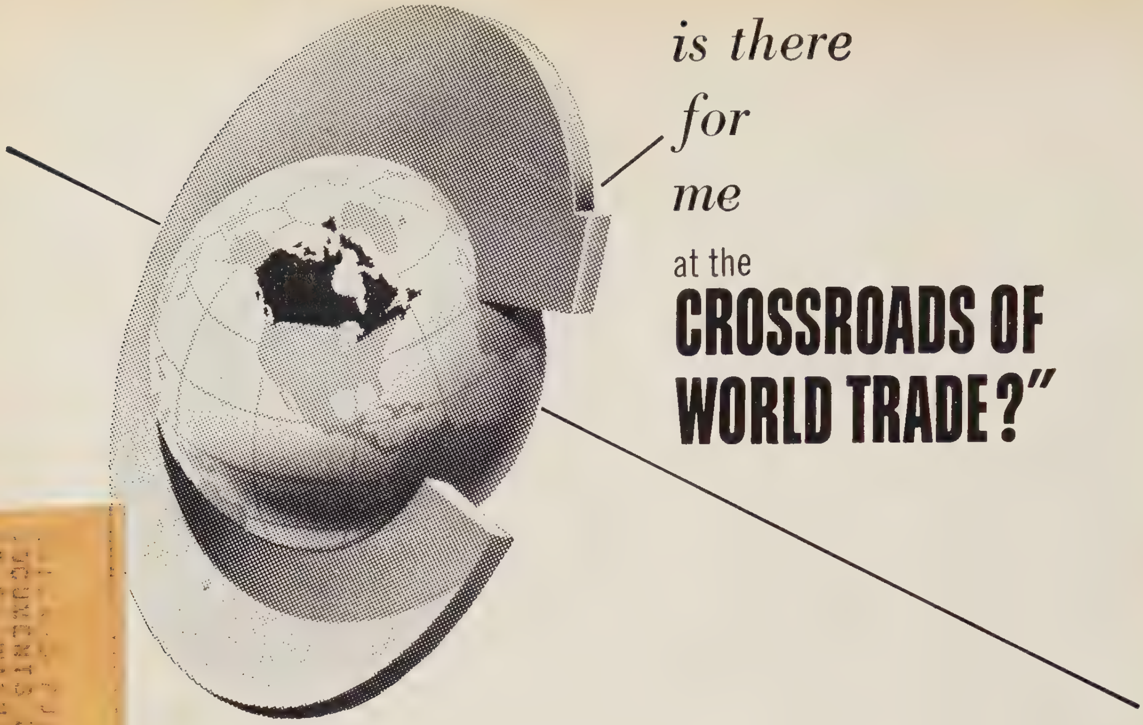
**VENEZUELA**
Ottawa—Commercial Counsellor, Embassy of Venezuela, Room 609, Chateau Laurier.
Montreal—Consul General of Venezuela, 2052 St. Catherine Street West.
Vancouver—Vice Consul of Venezuela, 200-603 West Hastings Street.

**YUGOSLAVIA**
Ottawa—Embassy of the Federal People's Republic of Yugoslavia, 17 Blackburn Avenue.
Toronto—Consul General of the FPR of Yugoslavia, 454 Spadina Avenue, Suite 202.

*Are you asking . . .* *"What is there for me*

at the

# CROSSROADS OF WORLD TRADE?"



If you are, perhaps the experience of previous visitors to the Canadian International Trade Fair is worth recording. For example:

***A Halifax, N.S., construction company said:*** Executives spent four days at the Fair. Said they could have saved thousands of dollars for their company had they visited in 1952. They plan to attend regularly.

***A Canadian forwarding company stated:*** "We attended the 1953 Fair in Toronto and had more business offered us than we could handle."

***A Chicago corporation reports*** that their president flew into the Trade Fair for one day and stayed three days longer than he planned. He sent his private aircraft to Chicago to bring his export manager and two or three other senior executives to the Fair.

**everyone can profit from the TRADE FAIR**

Whether your line is textiles or transformers, leather goods or lathes, alarm clocks or aircraft, or any of thousands of other products, your visit to the Trade Fair will be amply rewarded. Space bookings for this year's fair indicate that there will be *more* exhibitors with *more* products on display.

Plan now to attend with the key men of your firm. Write for information to—The Administrator, Canadian International Trade Fair, Exhibition Park, Toronto 2B, Ontario.

**1954**

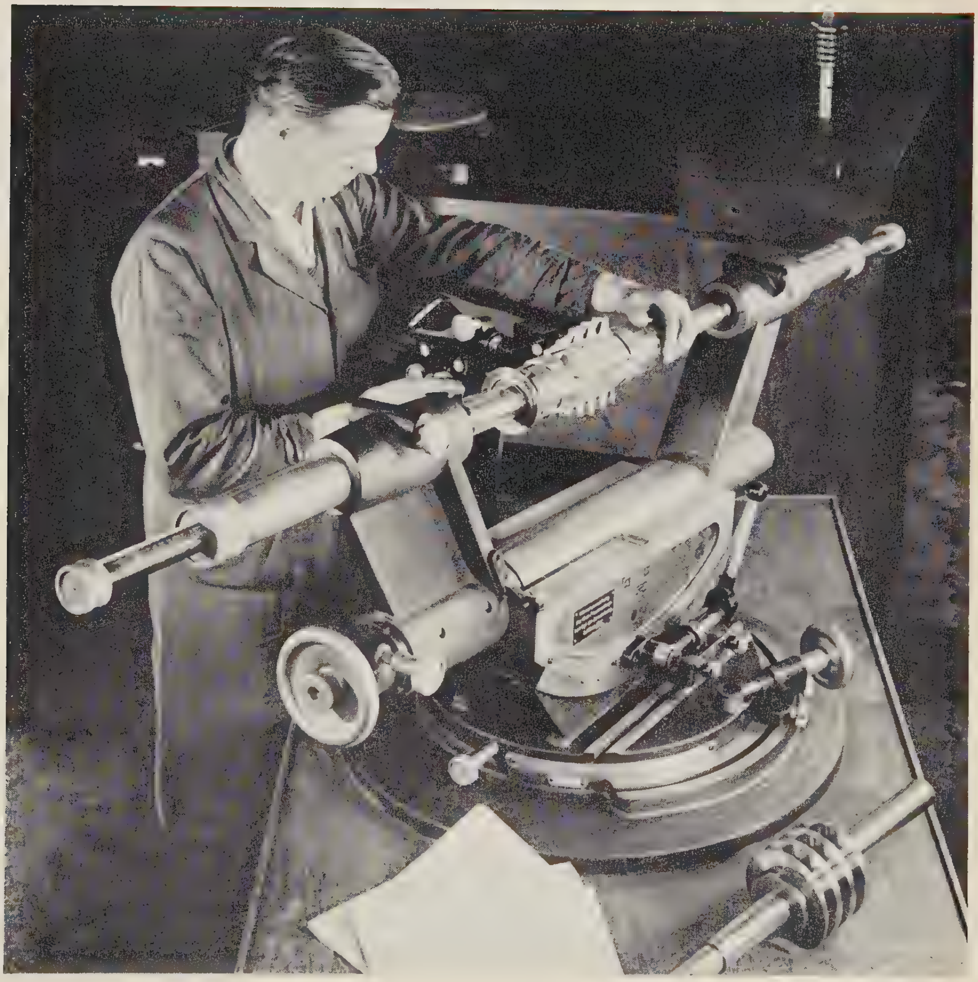
## 7th Annual CANADIAN International TRADE FAIR

**TORONTO**
**MAY 31 - JUNE 11**
**1954**

OPERATED BY THE GOVERNMENT OF CANADA TO PROMOTE YOUR BUSINESS

MARCH 6, 1954

# foreign trade



GERMANY AND THE MACHINERY MARKET (page 2)

2 Germany and the Machinery Market
6 Oklahoma Trades with Canada
7 United Kingdom Steel: Production and Prices
9 Commodity Notes
11 The Netherlands and Its Fishing Industry
13 Credit Conditions in Latin America
14 Argentina Revives Its Grain Exports
16 Cuba at the Close of 1953
18 Transportation Notes
20 Israel Attacks Its Food Problem
23 General Notes
25 India Plans Steel Expansion
26 Trade Commissioners on Tour
27 Trade and Tariff Regulations
28 West Germany Frees Some Dollar Imports
29 Foreign Trade Service Abroad
34 Foreign Exchange Rates
36 Businessman's Bookshelf

# foreign trade

Established in 1904

Published fortnightly by the Department of Trade and Commerce.
The Right Honourable C. D. HOWE, Minister,
WM. FREDERICK BULL, Deputy Minister.

**OTTAWA, MARCH 6, 1954, Vol. 101, No. 3**

Please forward all subscriptions and orders to:
The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad.
Single copies: 20 cents each.

Material appearing in this magazine may be freely reprinted, preferably giving credit to "Foreign Trade"

**cover** A German technician tests a milling cutter in one of the great machinery plants. Machinery now is Germany's leading export, thanks to the industry's postwar recovery. For the complete story, please turn to page two.

# Germany and the Machinery Market

*In the past six years, Germany has gone far towards regaining its prewar place as a supplier of machinery to world markets—but the future is not unclouded.*

I. V. MACDONALD, *Assistant Trade Commissioner, Bonn.*

GERMANY, once the world's leading exporter of machinery, now comes third, ranking after the United States and the United Kingdom. Production and exports have mounted rapidly since the end of World War II but recent events suggest that export markets for machinery are becoming more and more competitive. Though the year 1953 saw record postwar exports, this powerful German industry is studying means to sustain its foreign sales. Incoming orders are now falling short of deliveries by over 20 per cent and the present volume of exports may not be maintained unless new and effective methods of export promotion are adopted. It should be remembered, however, that the present backlog of orders was built up largely during the recent boom, with its unusual demand for new plant and equipment.

### Dependence on Machinery Exports

Prewar Germany built a reputation for the production and export of a wide range of machinery. By 1936 the Germans claimed to be the world's leading exporters of machines and they increased their export sales almost up to the outbreak of war. Today the volume of machinery exports is even higher and, for the first six months of 1953, comprised 22 per cent of total exports and 40 per cent of all exports of finished products, compared with 14 per cent and 33 per cent respectively during 1950. Thus machinery is now more important to German foreign trade than ever before and contributes substantially to the export surplus.

### Prewar Position

During the late 1920's and the 1930's Germany steadily improved her position in world markets vis-à-vis her competitors. By 1929 German exporters, with a large share of orders from Russia, claimed over 25 per cent of foreign sales, compared with the U.S. share of almost 36 per cent. However, in the depression year 1932 German machinery sales are said to have exceeded those of any other nation—some 39·5 per cent of the world export trade. Until the eve of World War II, Germany retained a predominant place in the machinery trade although the relative position of the United States steadily improved. It is thus not surprising that Germany swiftly re-entered many of the markets for machinery though it has not yet recaptured the prewar percentage share of sales. Today the leading supplier of machinery is the United States.

### Machinery Exports from West Germany

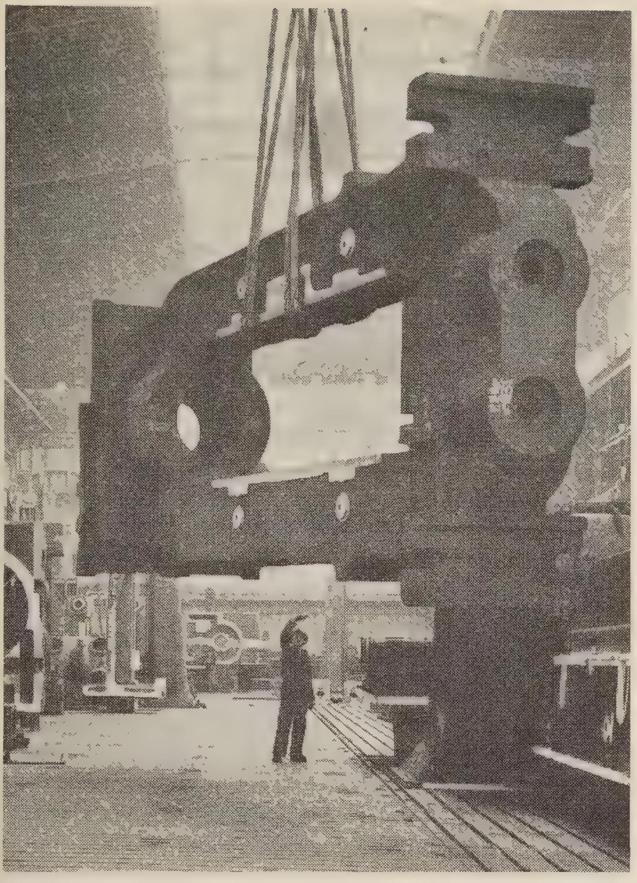
(millions of DM)

| | 1936<br>** | 1937<br>** | 1938<br>** | 1949<br>** | 1950<br>* | 1951<br>* | 1952<br>* | Jan.-Sept. 1953<br>* | Jan.-Sept. 1952<br>* |
|---|---|---|---|---|---|---|---|---|---|
| Machine tools, rolling mill equipment | | | | | 206·6 | 404·3 | 765·7 | 558·0 | 534·0 |
| Machinery for textile, leather and leather goods industries | | | | | 169·1 | 326·0 | 410·9 | 276·3 | 296·3 |
| Agricultural machinery (including tractors) | | | | | 172·8 | 321·8 | 408·2 | 269·7 | 294·0 |
| Paper and printing machinery | | | | | 104·2 | 190·4 | 255·4 | 187·0 | 184·4 |
| Power producing equipment | | | | | 122·3 | 252·6 | 240·7 | 191·3 | 167·8 |
| Conveyers | | | | | 39·0 | 79·4 | 177·1 | 145·0 | 119·1 |
| Pumps, compressors, etc. | | | | | 49·3 | 108·8 | 147·6 | 126·9 | 105·3 |
| Machinery for food and beverages industry | | | | | 43·5 | 76·0 | 103·0 | 115·0 | 74·0 |
| Office machinery | | | | | 26·9 | 68·9 | 75·5 | 70·2 | 54·4 |
| Locomotives | | | | | 14·0 | 36·8 | 68·4 | 61·9 | 51·9 |
| Other machinery | | | | | 228·8 | 404·2 | 910·4 | 825·7 | 645·3 |
| TOTAL (*a*) | 632·7 | 802·0 | 826·8 | 430·0 | 1,176·5 | 2,269·2 | 3,562·9 | 2,827·0 | 2,526·5 |
| (*b*) | 380·0 | 481·0 | 496·0 | | | | | | |

---

(*a*) Prewar German Reich.

(*b*) Figures relating to territory of present West German Federal Republic.
Sources: * "Der Aussenhandel der Bundesrepublik Deutschland".
** Verein Deutscher Maschinenbau-Anstalten e.V.



*This forging, weighing approximately 180 tons, is in process of being assembled in the Demag plant. Today machinery accounts for over one-fifth of German exchange earnings.*

Machine building, textile manufacture, and coal mining are the big three industrial employers; each has over half a million workers. In total sales, the textile and food industries exceed machinery, but in the all-important export field machinery is far in the lead and accounts for over one-fifth of German foreign exchange earnings. Next in line is the coal industry, followed by the chemical industry, each with about one-tenth of the export total. Machine construction is centered largely in the provinces of Nordrhein-Westfalen (especially in the Ruhr area of this province) and Baden-Wuerttemberg, which together account for well over half of the total production. Although the Ruhr area stands first in value of machines produced, the province of Baden-Wuerttemberg has the highest *per capita* production in the Federal Republic.

## Export Position Improves

Machine tools form the most important single group in the German machinery industry, holding first place in number of employees, in value of production and in machinery exports (16 per cent of the total). Next in importance from the export standpoint come tractors, printing and paper machines, and textile machines, each with approximately 7-9 per cent of machinery exports. Other German engineering exports, ranged according to the volume of export sales, are: power-producing equipment, construction machinery, food processing equipment, agricultural machines, mining machines, foundry and rolling mill equipment, lifting machines and conveyers, sewing machines, locomotives, pumps, office machinery, woodworking machinery and electric motors.

The machinery industry has not only vastly increased the value of its exports but also has improved its relative position in the German export structure. For the Federal Republic area, machinery exports in 1952 represented double the percentage of total exports over the prewar year 1936. The export contribution of machinery and other major classifications of goods is shown in the table on the following page.

## Markets Abroad

German machines find a market in more than 130 countries. Germany's European neighbours buy two-thirds of its machinery exports by value and in 1952 Italy—a growing exporter of machinery herself—was its best customer. Great Britain, the Netherlands, France, Belgium-Luxembourg, Sweden and Switzerland, added to Italy, accounted for almost 44 per cent of Germany's 1952 machine exports. These seven countries and Turkey each imported more German machinery than the United States did. Of the overseas markets in 1952, Latin America was outstanding, purchasing 14 per cent of total machinery exports. Brazil was easily the largest importer of this group, to the extent of DM249 million, and ranked as Germany's third largest customer for machinery, after Italy and Great Britain. Sales to the United States totalled DM142 million (4 per cent of the total) and represent a considerable improvement over 1938 (1·5 per cent of 826·8 million DM). Canada has provided a better market for German machines than the United States, if the two are compared on the basis of national income or population. However, sales to Canada in 1952 did not reach the level of those to other countries such as Yugoslavia, Spain, South Africa, Egypt, Indonesia, Greece, and Chile. The value of German machinery sales to Canada in 1952 was DM21 million and for the first nine months of 1953, DM18 million.

## Main Competitors

Although German trade analysts claim that the industry's share of world markets was almost 40 per cent in 1932, it is now less than that of both the United States and the United Kingdom. These two countries were the predominant suppliers of machinery during the immediate postwar period and, despite the resurgence of German industry which began in 1948, have continued in first and second place respectively. Great Britain has held her approximate prewar portion of export sales and the United States has improved its position considerably. France and Italy have almost

### German Export Structure

(percentage shares)

| | (1)<br>1936 | (2)<br>1947 | (2)<br>1948 | (2)<br>1949 | (3)<br>1950 | (3)<br>1951 | (3)<br>1952 |
|---|---|---|---|---|---|---|---|
| Machines | 10·3 | 1·8 | 5·4 | 9·8 | 15·7 | 17·2 | 21·2 |
| Foodstuffs | 2·0 | 2·6 | 2·7 | 2·2 | 2·3 | 3·4 | 2·2 |
| Raw materials | 20·1 | 84·5 | 55·0 | 49·3 | 32·9 | 23·5 | 22·6 |
| Semi-manufactured products | 27·4 | 11·1 | 22·4 | 20·6 | 22·2 | 25·2 | 20·7 |
| Finished products (without machinery) | 40·2 | | 14·5 | 18·1 | 26·9 | 30·7 | 33·3 |
| | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

---

(1) Territory of present Federal Republic.
(2) U.S. and British Zones of Germany.
(3) West German Federal Republic.
Source: Verein Deutscher Maschinenbau-Anstalten e.V.

doubled their shares. The table below shows the relative position of Germany, Great Britain and the United States in the prewar and recent postwar years.

During the past year, in the face of market uncertainties, competition in export markets has been intensified. In the first five months of 1953, machinery exports from the U.K. were off about 3 per cent, German exports remained the same, and United States exports of machines increased about 3 per cent.

### Berlin—Progress and Difficulties

Statistics do not tell the story of West Berlin's re-emergence as a producer and exporter of machinery. To appreciate the achievement fully, one must see the ruined factory sites and burned-out rows of workers' houses in the one-time Berlin industrial areas. But West Berlin's manufacturers today are delivering a wide range of machinery and other industrial goods, many of which require special manufacturing skills. Typical of these specialty firms is a producer of precision optical equipment who has built an excellent reputation for quality and now holds sales contracts with dollar buyers covering many months' output.

Other Berlin manufacturers, especially of machinery, are in a less fortunate position and have found that some foreign buyers still feel doubtful about Berlin's ability to honour delivery dates, because of the political situation. However, despite the many difficulties, optimism prevails and much progress has been made in promoting export sales. The city's manufacturers are represented at almost every important international machinery fair in Europe and elsewhere. Twenty-two Berlin firms exhibited at the Canadian International Trade Fair in 1953 and report that they were well received by Canadian buyers. Sales and engineering personnel have been sent to scores of countries and Berlin industrialists have set up a marketing association to foster export sales.

Considerable attention is being paid to improving the quality of German machinery as well as to streamlining production methods. The adoption of new assembly and construction techniques has lessened somewhat the number of highly skilled workers required, and has speeded up production processes. Automatic devices are tending to require of the machine operator intelligent observation rather than mechanical skill. In plastics, as in other fields, the development of new machinery has kept pace with the discovery of new materials.

### Foreign Investment Aids Exports

Increasing investment by German interests in overseas countries has led to new opportunities for sale of German-made machinery in those markets. This process has been facilitated in Brazil by a treaty signed recently which provides for economic collaboration between German and domestic firms, and for independent action by German companies.

Recently India became a big customer when its Government, after calling for tenders, ordered 480 locomotives from foreign manufacturers, 270 of which are

### Shares of Germany, Great Britain and United States in World Machine Exports

(in percentages)

| | 1926 | 1929 | 1932 | 1936 | *<br>1948 | *<br>1949 | *<br>1950 | *<br>1951 | *<br>1952 |
|---|---|---|---|---|---|---|---|---|---|
| Germany | 22·3 | 25·2 | 39·5 | 29·6 | 0·9 | 2·8 | 8·7 | 12·6 | 16·0 |
| Great Britain | 23·3 | 19·6 | 20·6 | 21·1 | 28·4 | 29·3 | 23·7 | 21·3 | 21·5 |
| United States | 34·3 | 35·8 | 19·3 | 28·2 | 53·4 | 48·0 | 43·5 | 40·5 | 37·6 |
| Other countries | 20·1 | 19·4 | 20·6 | 21·1 | 17·3 | 19·9 | 24·1 | 25·6 | 24·9 |
| | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

---

* West German Federal Republic.
Source: Verein Deutscher Maschinenbau-Anstalten e.V.

to be delivered by West Germany. The strongest competitor was Japan, which secured the second largest order for 125 freight locomotives. It is interesting to note that Canada also has supplied locomotives to India and has undertaken to send an additional 100-120 units under the Colombo Plan. A stimulus to German machinery exports to India is likely to follow the present discussions between the Indian Government and the representatives of the German industrial combines Krupp A.G. and Demag. These talks are centered around a new $150 million steel plant for India, among other industrial development projects. Meanwhile, the German firms have been engaged as technical consultants to the Government at a fixed fee of over $4 million a year.

### Machinery Sales to U.S.

Deliveries of machinery to the United States market have increased markedly during the past three years and today Germany is the leading European exporter to the United States, ranking second only to Canada as a supplier of machinery to this market. German exports have increased sharply since 1950, rising from $4·7 million in that year to $12·9 million in 1951 and to $31·3 million in 1952. Indications are that 1953 will see a further slight increase, with machinery exports to the U.S. for the first nine months valued at $23·3 million.

Chief European competitors in the American market are Great Britain, Italy and Switzerland. Canada sells more machinery to the United States than do all the European countries and supplies more than half of total American machinery imports. It is not considered, however, a competitive threat to German sales in the U.S. because Canadian exports are predominantly agricultural machinery and Germany is chiefly interested in selling industrial machines, particularly machine tools. German makers of machine tools will probably continue to concentrate their sales effort on specialty lines and not attempt to compete with the standardized types produced so efficiently by U.S. industry.

### The Outlook

The long absence of Germany from world trade has necessitated an energetic campaign to rebuild and modernize the machinery industry, re-introduce German makes to foreign users, and re-establish sales and service facilities throughout the world. Thanks to these measures, Germany has suceeded in regaining a large proportion of world export markets and the strongest efforts will be made to consolidate present gains. Possible steps which might improve the relative position of German machine exporters are a lowering of steel prices, cheaper long-term export credits, increased tax-rebate incentives, and a further lessening of currency risks through government guarantees. It is improbable, however, that the tax-rebate system will be extended—in fact, the German Ministry of Economics has indicated that Germany would welcome negotiations to eliminate these on an international scale. On the other hand, a further easing of credit conditions on purchases of machinery and other goods from West Germany seems likely. ●

## Jamaica's Coffee Industry

*The 1953-54 coffee crop just ended exceeded all expectations and the factories were hard pressed, coping with the quantities of cherry coffee received. The factory at Aenon Town, and the new factory at Clarendon Park operated by the Coffee Industry Board, processed 7,786,120 lbs. of cherry coffee, compared with 4,098,380 lbs. processed at Aenon Town last season. Other factories reported a 30 per cent increase over last year's crop.*

*Because of the increased production and interest in factory prepared coffee, the Board decided to erect another central factory at Trout Hall which is expected to begin operations in September 1954. Plans have also been made for six smaller factories to be built this year.*

*Estimated Coffee Production in Tons*

| | 1950-51 | 1951-52 | 1952-53 | 1953-54 | 1954-55 |
|---|---|---|---|---|---|
| Exports of raw coffee by Clearing House ..... | 740 | 973 | 1,325 | 1,550 | 1,700 |
| Exports of Blue Mountain coffee ........... | 150 | 120 | 160 | 155 | 210 |
| Exports of roasted coffee ................ | 340 | 230 | 255 | 250 | 250 |
| Local consumption .... | 1,000 | 1,200 | 1,400 | 1,500 | 1,600 |
| Total .............. | 2,230 | 2,523 | 3,140 | 3,455 | 3,760 |

*The Central Grading and Finishing Works now under construction will be completed by September this year at a cost of over £100 thousand. This factory will take care of all processing from the wet parchment to the finished product for export.*

*The high quality factory coffees now enjoy a better place on world markets, and prices of up to 600s. per cwt., f.o.b. Kingston, were received during the last crop.*

*The export of the famous Blue Mountain Coffee is not controlled by the Coffee Industry Board and it is sold mostly to European markets.*

—M. B. PALMER
*Trade Commissioner, Kingston*

# OKLAHOMA trades with Canada

*Ties between Canada and Oklahoma have grown closer with the development of the oil industry in this country—and this promises well for mutual trade in a variety of products.*

C. O. R. ROUSSEAU, *Assistant Trade Commissioner, New Orleans.*

OKLAHOMA, whose southern and western borders are covered by Texas and its Panhandle, achieved statehood only 47 years ago. Earlier it was known as Indian Territory and was inhabited by the Cree, Choctaw, Cherokee, Chicasaw, and Seminole Indian tribes. During the decade from 1940 to 1950, drought and soil erosion took a heavy toll and migration from the farming areas brought the population down from 2,336,000 to 2,224,000. In the last few years an irrigation system has been put into effect and agricultural output has risen.

## Economic Mainstays

Oklahoma's economy is based largely on agriculture, which employs about 246 thousand persons, and on the production of oil. Its chief farm product, wheat, brought in a total of $88,866,000 in 1950; cotton came second ($46,483,000), corn third ($41,242,000) and hay fourth ($31,535,000). Oats, sorghum and peanuts are also of some importance. Total cash income from agriculture in 1951 reached $622,142,000. Cattle raising is also a valuable source of revenue; in 1951 there were 3,065,000 head of cattle on Oklahoma farms and ranches, including 1,034,000 head of beef cattle.

Oil production ranks second in Oklahoma's economy; in 1952, it netted $378 million. In the same year 5,626 new wells were drilled and 3,551 of them went into production; this brought the total of producing oil wells in the state to 58,612. The petroleum industry employs some 81,000 workers who draw wages totalling $295,800,000. Oklahoma, incidentally, is the only state which can pride itself on having producing oil wells on the State Capitol grounds. Some of these wells were drilled underneath the Capitol Building by directional methods during the development of the Oklahoma City field in the early 1930's. They are still producing and oil is pumped from underneath the Capitol building. The revenue derived from them has helped to pay for new administration buildings which are going up around the Capitol. In the sixteen years since the oil industry was established, 6¼ billion barrels of oil have flowed from Oklahoma oil wells and geologists predict that there are still greater untapped deposits within its borders.

## Manufacturing Is Expanding

Although Oklahoma cannot be regarded as a manufacturing state, its income from manufacturing is growing because of the available supplies of oil and natural gas, plus other raw materials such as coal, zinc, natural gas, feldspar and glass sands, barytes, gypsum and others. In 1952, 79,400 workers were on peacetime manufacturing payrolls with an aggregate wage of $219,531,600, compared with 38,227 persons with an aggregate wage of $48,970,000 in 1939.

## Principal Cities

The two principal centres of Oklahoma are Oklahoma City, the state capital, and Tulsa, the self-styled oil capital of the world. Oklahoma City, (population 325,352 in 1950) which is regarded as the main distributing centre, is becoming industrialized. It is a clean, well-planned city and boasts a modern civic centre. Tulsa, located in the northeast part of the state, had

*In Oklahoma City, oil derricks surround the state Capitol—fitting in a state which has over 58 thousand producing wells and a 1952 oil production worth $378 million.*

a population of 251,686 in 1950 and is the home of over 300 oil companies. It has an industrial district which specializes in the manufacture of heavy goods and many oil supply houses. It is also the site of the International Petroleum Exposition, the largest annual show of its kind in the world.

Oklahoma's diversified economy is developing rapidly. Its two-way trade with Canada so far has not been too important, but there is a growing interest in Canada because many Oklahoma oil workers are moving into Western Canadian oil fields. The principal exports from Oklahoma to Canada are petroleum products, iron and steel products, machinery and oil-well equipment, cotton, and common glassware. The main imports from Canada are lumber, shingles, newsprint, Christmas trees, apples and zinc concentrates. Most of the lumber imported from Canada is softwood such as fir, hemlock and cedar, and spruce from Western Canada. The lumber people are exhibiting a growing interest in Canadian lumber and the Canadian office in New Orleans is making every effort to encourage further orders. Oklahoma's natural interest in the oil discoveries here has also created enthusiasm for visiting that country, both to see the new oil fields and to escape the intense summer heat. Travel agencies report greater interest every year in trips to western and eastern Canada. ●

# United Kingdom Steel: *production and prices*

*The British steel industry achieved, in 1953, an all-time record output; certain restrictions on steel exports were modified. But competition from other countries is growing.*

R. P. BOWER, *Commercial Counsellor, London.*

UNITED KINGDOM STEEL OUTPUT in 1953, at 17,609,000 tons, set an all-time record, compared with 16,418,000 tons in 1952 and 15,640,000 tons in 1951. In the last quarter of 1953, production was running at an annual rate of 18¼ million tons—in one week in December it actually reached an annual rate of over 19 million tons.

This improved 1953 output was the result of the coming into production of new capacity and also reflected the better supply of raw materials. For the first eleven months of 1953, scrap iron and steel imports averaged 71,700 tons a month, compared with 61,200 tons a month the year before. Similarly, the tonnage of ships available for breaking-up rose from 10,700 tons a month to 18,500.

Imports of iron ore, which averaged 807,800 tons a month in 1952, reached 920,600 tons a month for the first eleven months of 1953. The largest supplier of iron ore to the United Kingdom in both years was Sweden. In 1953 imports from Sweden averaged 319 thousand tons a month. Algeria, with 155,800 tons a month, was the second largest supplier, followed by Canada with 93,500 tons a month. In 1952, the Canadian monthly average was 51,900 tons. The United Kingdom mined 14·5 million tons of iron ore in 1953, slightly more than was imported in the same period.

## Imports Reduced

The United Kingdom both imports and exports steel. Since the war, home production has been inadequate to meet home demand and the deficiency has been made good by purchases from abroad. In 1953, for example, imports of iron and steel products averaged 149 thousand tons a month, compared with 205 thousand tons in 1952. Austria was the largest supplier, with a monthly average of 38,200 thousand tons, followed by France with 30,700, Belgium, 17,000 tons and the United States, 10,700. Imports from Canada amounted to 6,100 tons a month, compared with 14,600 in 1952.

The rise in domestic output enabled imports of ingots and semi-finished steel to be reduced from 1·18 million tons in 1952 to slightly over one million in 1953. The trend towards smaller imports from abroad may be expected to continue as the home supply position improves.

Despite a steel deficiency on the home market varying in intensity ever since the end of the war, the United

Kingdom has consistently set aside a tonnage of steel for export markets. This has been done despite the fact that these exports had to be replaced by imports from abroad, frequently from high-cost sources. The object of this policy was to maintain overseas connections against the day when Britain would again be seeking export business. For the first eleven months of 1953, United Kingdom steel exports averaged 226,500 tons a month, compared with 214,800 a month for the whole of 1952. For the first time since the end of the war, Canada obtained more British steel than any other United Kingdom market, the eleven-month average reaching 19,500 tons. This compares with 17,100 tons a month for the whole of 1952 when Australia, by taking 25,400 tons a month, was the leading buyer.

### Export Controls

The increase in steel output in 1953 brought overall production roughly in balance with demand. Certain restrictions on exports, hitherto considered necessary to ensure domestic users an adequate supply, were modified. At the end of May, export control regulations were amended so that licences for exports to Commonwealth countries are no longer required for rails; sleepers; fish plates and sole plates; pipes and tubes; wire; forgings other than forged bars and gun forgings; tires, wheels and axles; alloy steel including alloy tool steel; colliery arches, and header bars and fittings.

By the end of 1953, the decision had been taken to remove export controls (other than strategic controls) on all types of finished steel except carbon plates, sheets and semi-finished steel other than wire rods. Therefore, effective January 1, 1954, licences are no longer required for export of these commodities to Commonwealth destinations. The export of non-alloy semi-finished steel, such as ingots, billets and blooms, will continue to be closely restricted. The control of tinplate is still being maintained. However, the outlook for even the restricted types is more encouraging than at any time since the war. There may be occasional difficulty in getting specific types for Canada in the quantities required, but no serious shortfalls are expected in 1954.

### Trends in Export Prices

Practically ever since the war, export prices for British steel have been higher than domestic prices—a situation made possible by the persistent shortage of most types of steel in the principal consuming countries. This trend continued throughout most of 1953 but as the year progressed, competition from German and other sources, and improved steel supplies, forced a reduction in prices to the foreign buyer. In 1954, United Kingdom prices are expected to be competitive on the Canadian market. The latest in this series of price decreases is a £5.0.0 per ton deduction in the export prices of British steel plates, effective February 1st. Mild steel plates and "universals" are now priced at £38.0.0 per ton; boiler plates, £40.0.0; floor plates, £40.0.0; and joists and broad flanged beams, £33.0.0. Plates are one of the few steel products still in short supply in the United Kingdom, as in most other countries. This deduction, therefore, suggests that the industry expects increased competition.

Demand for plate has been high in postwar years because of the arrears in railway car construction, the rapid expansion of the world's shipbuilding, and the emphasis that so many countries have been placing on large capital development projects. Canadian requirements for pipelines, oil refineries, power stations and other construction have contributed to this situation. British steel-makers have been operating at or near capacity since the end of the war to meet these demands. Home production of steel plates has been expanded and imports increased. Exports have had to be controlled in order to provide domestic industries with their essential supplies; shipments actually fell from 329 thousand tons in 1950 to 225 thousand tons last year.

### Shipbuilding Decreases

Demand is still greater than supply, but order books for shipbuilding and other heavy plate-consuming industries are shorter than for some time and the recent price changes may be taken as a reflection of the industry's concern over the situation likely to arise as the year progresses. As an illustration, the number of ships ordered from British yards in 1953 was 169, compared with 244 in 1952 and 709 in 1951. United Kingdom shipyards' total order book now stands at 850 ships, 5½ million tons, compared with an order book of 1,135 ships and seven million tons in the middle of 1952. This industry is the largest single user of steel plate and any decline in shipbuilding has an immediate effect on the supply position. ●

---

### Coal in Canada

*Production of coal in Canada reached its peak abou three years ago, with the 1950 output of 19·1 millio tons. Since then, it has been dropping and in 195 totalled only 17·6 million tons, according to a recen official report. At the same time, consumption ha been declining—from 44·6 million tons in 1951 t 41·6 million in 1952—largely because of the replacement of coal by fuel and diesel oil in the heating o homes and buildings and in railway operation.*

# commodity notes

## Brazil

HYPODERMIC SYRINGES—The production of a wide range of hypodermic syringes has begun in Campinas near São Paulo, employing the most modern methods known in the industry. The plant, Industria Brasileira de Seringas Ltda., has 50 employees of whom 12 are Italian technicians recently arrived from Europe. The factory is now producing 2,000 units daily and, according to reports, will soon be able to supply the Brazilian domestic market—São Paulo, Feb. 5.

EGGS—The growth of the internal market for eggs in Brazil is stimulating production. According to the Ministry of Agriculture, production increased from 273·7 million dozen in 1950 to 277·4 million in 1951 and 311·0 million dozen in 1952. The State of São Paulo is the largest producer followed by Minas Gerais and Rio Grande do Sul. About 50 per cent of the eggs produced in Brazil originate in these three states—São Paulo, Feb. 5.

COFFEE—Brazil exported 15,562,027 bags of coffee from January 1 to December 31, 1953, as compared with 15,821,015 bags in the calendar year 1952. According to Coffee Institute statistics, Brazil had only 6,552,263 bags of coffee on hand at the end of 1953 to cover exports until the new crop comes in during the latter part of June. Available port stocks amounted to 2,755,824 bags as of December 31st—São Paulo, Feb. 5.

## Greece

CITRUS FRUITS—Greece has more than tripled its citrus fruit production since the 55,000-ton crop in 1938. This year's bumper crop of 190 thousand tons —the highest on record—of oranges, lemons, limes, tangerines and grapefruit has increased the surplus available for export and processing to 60,000 tons. According to a Ministry of Agriculture census, Greece has seven million citrus fruit trees; an important percentage was planted after 1946 and has not reached full production. When these trees mature in the next two years, the crop will rise to about 250 thousand tons, even if the total number of trees does not increase with additional acreage. Serious efforts are being made to meet high standards of quality for the exported fresh fruit and to increase industrial processing of inferior qualities. The Agricultural Bank will grant loans up to a total of about $250 thousand to the manufacturers of essential oils, citrus fruit juice, marmalade and jellies to buy modern equipment and extend their facilities—Athens, Feb. 8.

SPONGES—The 1953 Greek sponge landings totalled 64,235 kilos, only 50 per cent of the 1952 record of 128,266 kilos, because the Greek sponge fishing fleet was not able to extend its operations to Egypt and Cyrenaica as in past years. On the other hand, because the Greek currency was devalued in April 1953 exports increased, prices in local currency improved and old stocks were sold. Exports totalled 114 thousand kilos during the first nine months of 1953 (55,000 kilos during the same period in 1952). Some 1,219 kilos (200 kilos in 1952) were shipped to Canada—Athens, Feb. 3.

TOBACCO—During 1953, 50,000 tons of Greek tobacco of the dark Oriental type were exported, compared with 41,000 tons in 1952. This increase is mainly the result of expanded exports to Western Germany and France and a revival of interest in Greek tobaccos in other foreign markets, including Eastern Europe, following devaluation of the Greek currency last April. A negligible quantity of the 1952 and earlier crops is still in the hands of growers, exporters and the Agricultural Bank. For the first time since the war, over 10,000 tons of the current year's 60,000-ton crop have already been sold Prices are very satisfactory and it is expected that a greater area will be cultivated next year and that the prewar average of 60,000-ton crops will easily be exceeded—Athens, Feb. 8.

## Japan

RAYON YARN—The six leading Japanese rayon yarn manufacturers plan to increase their monthly production by a million pounds over their present output of about twelve million pounds—Tokyo, Feb. 11.

## Philippines

FERTILIZER—The new Maria Cristina plants operated by the National Power Corporation, a state entity, at Ilagan City in the southern island of Mindanao, will manufacture some 50,000 metric tons a year of commercial crystalline ammonium sulphate fertilizer of standard grade. The hydro-electric plant has a 25,000 kilowatt power unit and 90 per cent of its output is used by the fertilizer plant.

Some 400 engineers and technicians are employed to operate the hydro and fertilizer plants. The overall cost of the plants is 19 million Philippine pesos, or US$9·5 million—Manila, Feb. 6.

### South Africa

DRIED FISH—Two relatively recent developments in the South African fishing industry are the production of dried fish for export and the sale of quick frozen fish in household and hotel packages. Building of two fish dehydration plants at Cape Town was begun in 1953, one to cost about £90,000 and the other £60,000. One factory, expected to come into production soon, will dry hake in closed chambers in four days by a process said to be new to South Africa. The main production will be unsalted dried fish which will resemble the Norwegian unsalted cod. The capacity of the plant will be about 500 tons of wet fish a month, with an expected yield of approximately 100 tons of the unsalted dried fish. All the output will be exported, mainly to Nigeria, the Gold Coast and the Belgian Congo. The other factory should be completed in June and will replace one of the four existing plants.

Exports of dried fish began soon after the last war at the request of the Rhodesian Food Controller during a period of meat scarcity. They now amount to about 200 tons a month, with a value of approximately £18,000. It is said that the main obstacle to increasing exports is getting shipping space to West Coast ports because of infrequent sailings—Cape Town, Jan. 30.

COAL—Transportation bottlenecks and irregular availability of export permits are curtailing exports of South African coal. Export sales, which averaged 224,248 tons (£451,880) each month during 1952, fell to 97,977 tons (£232,474) a month during 1953. The decline has been more marked in bunker coal, sales of which have been reduced from a monthly average of 35,616 tons (£78,903) in 1950 to 10,959 tons (£29,191) during 1953—Johannesburg, Feb. 2.

WHEAT—Official estimate at the end of 1953 increased the anticipated wheat crop by 201 thousand bags to 5·8 million bags of 200 lb. As a comparison, the December 1952 estimate forecast a crop of 6·1 million bags which on harvesting proved to be 5·9 million—Johannesburg, Feb. 2.

WOOL—Judging by price trends for the first half of this season, and provided the total clip reaches the estimate of between 265 and 270 million lb., the South African wool cheque for the present season will be between £66 million and £67 million, the second largest in the history of the wool industry. The average price of all wools sold from July 1, 1953, to the end of November 1953, was 62·78d. per lb., compared with 56·17d. for the same period in the previous season—Johannesburg, Feb. 2.

### Spain

BITTER ORANGES—Reports just received from Seville indicate that during the past few days all bitter oranges remaining on the trees were destroyed by heavy frosts. The season for collecting this crop is now about half completed and the reports state that only 17,000 cases, which were in storage at the time of the frosts, remain. Bitter orange production is confined to the Seville area—Madrid, Feb. 4.

### United Kingdom

SCOTCH WHISKY—Scotch whisky exports in 1953 were the highest ever recorded, totalling 13,202,464 proof gallons and earning £37,768,128 in foreign currencies. This was an increase of 1,671,085 gallons and £4,729,060 over 1952. The United States, the leading buyer, took 7,163,747 gallons valued at £20,781,768, an increase of 862,888 gallons and £2,300,562 over 1952. Canada was the second largest customer, paying £2,574,700 for 873,865 gallons—London, Feb. 18.

### United States

TITANIUM—Production of titanium metal is being given high priority in the United States. The expansion goal was recently increased to 25,000 tons a year because of the rapid development of its use for military equipment. However, U.S. production is well below this level and was only 2,241 tons during 1953, about double the production in 1952. It is hoped that production this year may be stepped up to 4,000 tons; with continued expansion it might reach 13,000 tons in 1955—Washington, Feb. 20.

IRON ORE—The Bureau of Mines indicates that, although there will likely be a levelling-off of requirements, U.S. imports of iron ore will probably increase this year. In 1953 imports of iron ore rose to 119 million tons, as compared with 98 million tons in the previous year—Washington, Feb. 19.

### Venezuela

SHELL EGGS—During December 1953, shipments of Canadian shell eggs to Venezuela reached a new high of 702 thousand dozen valued at $330 thousand. The total 1953 value of shell eggs from Canada is estimated at $940 thousand, about 10 per cent of Venezuela's total egg imports. The United States still has 87 per cent of the market; Denmark and the Netherlands share the remaining 3 per cent—Caracas, Feb. 8.

# Netherlands and Its Fishing Industry

W. G. PYBUS
*Asst. Commercial Secretary, The Hague.*

*Good catches and increased exports of salted and fresh herring made 1953 a prosperous year for Dutch fishermen. But the fishing fleet needs modernizing.*

NETHERLANDS FISHERMEN found 1953 a generally good year. Landings of salted herring, the most important catch, were higher than in 1952 and the export market, greatly strengthened by East European purchases, continued firm. Domestic herring prices were above the 1952 level throughout the year, with prices paid to fishermen averaging 30 guilders per 100 kilos. Export prices declined slightly compared with the previous twelve months and averaged about 54 guilders per 100 kilos. Although the industry is still pressing for improvement of the fishing fleet, the year's results with existing equipment gave cause for satisfaction.

## The Herring Catch

By December 5 a total of 1,009,276 barrels of salted herring had been landed, compared with 904,961 barrels on the same date of the year before. After very poor catches in October—about 100 thousand barrels less than in the same month of 1952—Netherlands trawlers later caught record quantities of herring in the English Channel. Ymuiden trawlers, making a week's trip, returned with 2,000 to 3,000 crates of herring, some of which had to be stowed on deck. As the market was unable to take up these heavy arrivals, prices dropped. Large quantities had to be sent to the fishmeal factories. French trawlers facing the same problem came from Boulogne to dump their catches at the Ymuiden fishmeal factory.

If the herring landed by Netherlands fishing boats cannot be sold at the prices fixed by the official appraisers, the fishing companies sell it to the fishmeal factories at 12·30 guilders per 100 kilos. The Government pays to the fishing companies the difference between this and the price fixed by the appraisers.

**Landings of Fish in Netherlands Ports**

| | 1952 | | January-September 1953 | |
|---|---|---|---|---|
| | Metric tons | Value Fl. 1,000·– | Metric tons | Value Fl. 1,000·– |
| Fresh herring | 42,830 | 9,890 | 25,070 | 6,106 |
| Salted herring | 91,746 | 28,472 | 49,337 | 16,540 |
| Mackerel | 11,400 | 3,427 | 9,768 | 2,686 |
| Haddock | 4,569 | 2,714 | 3,519 | 1,671 |
| Cod | 4,211 | 2,980 | 4,061 | 2,653 |
| Whiting | 8,019 | 2,354 | 5,212 | 1,576 |
| Plaice | 12,384 | 5,237 | 11,977 | 4,274 |
| Sole | 4,464 | 7,019 | 3,588 | 5,389 |
| Dab | 2,037 | 555 | 1,077 | 341 |
| Oysters | 1,432 | 4,225 | 454 | 1,295 |
| Shrimps | 4,034 | 2,552 | 1,611 | 903 |
| Mussels | 46,739 | 4,667 | 30,638 | 3,127 |
| Eels | 3,972 | 7,714 | 2,899 | 5,898 |
| Other inland fish | 2,224 | 1,699 | 876 | 610 |
| Undersized fish | 5,352 | 208 | 2,770 | 92 |
| Shrimps for drying | 8,958 | 450 | 7,689 | 549 |

## Exports Doubled

In spite of the keen competition in foreign markets, the volume and value of exports of fresh herring by the end of September 1953 were nearly twice those of the same period in 1952.

Foreign shipments of other seafish totalled 7,492 metric tons valued at 10,501,000 guilders during the first nine months of 1953, compared with 8,322 tons and 11,809,000 guilders during the corresponding period of 1952.

In May 1953 Russia placed an order for 40,000 barrels of salted herring; in July, a Netherlands delegation signed a contract in Moscow for 150 thousand barrels, to be delivered in six monthly instalments of 25,000 barrels. The first delivery was made during the second half of August.

On August 3 the Netherlands Association of Herring Exporters concluded a barter contract with Eastern Germany for 6,100 tons of salted herring, against delivery of Eastern German products, including potassium.

Throughout the year herring prices were above the 1952 level. The average landing prices to fishermen were 30 and 27 guilders respectively and the price obtained by Netherlands exporters during the period January-September 1953 averaged 54 guilders per 100 kilos, compared with 56 guilders during the preceding twelve months. This latter price reflects the cost of processing, packing, storage, handling and insurance.

The Netherlands Minister of Agriculture and Fisheries recently pointed out that, regrettably, too much emphasis is being placed upon trawl fishing for herring

KW 73
CORNELIS DE BOER

*At the opening of the herring season, the Dutch fleet, decked out in flags, draws hundreds of visitors. The herring catch last year reached over a million barrels.*

and less interest shown in catches of other types of seafish. The equipment of the Netherlands fishing fleet was gradually improved during 1953. Dutch fishing circles feel that their fishing boats must be completely modernized and that, in addition, sales distribution should be brought up-to-date. It has been estimated that 45 million guilders would be needed to renew the fleet and 20 million to improve the sales distribution system. Both steps are essential in view of the rapid development of the German trawling fleet within the past few years.

A number of large trawlers have been built in Western Germany with government assistance in the form of subsidy and low coal prices. Netherlands fishing experts assert that the larger herring production has changed West Germany from a herring importer to an exporter and that Germany is likely to become a serious competitor, not only in salted herring but also in filleted fish. They consider it doubtful whether all these new German vessels can be justified from an economic viewpoint.

Speaking of fishing on distant grounds, the Minister said that during the past season only a few Netherlands fishermen had ventured far afield. The prices of the fish landed by long-distance fishers were on the whole higher than those realized by their German competitors.

## Prospects for 1954

In the explanatory notes to the 1954 budget, the Minister went on record as saying that all possible government assistance will be given to the Netherlands fishing industry. The Central Laboratory for Fisheries Research at Ymuiden, construction of which was started in 1953, will be of great value. In addition to the present vessel on which biological and technical experiments are carried out, a second vessel for this purpose will be put into service on May 1.

The regulations guaranteeing the fishermen certain minimum prices, which had a favourable effect during the past year, will continue in 1954. Fishing conditions in inland waters will be improved.

In general, prospects for the Netherlands fishing industry for the coming twelve months are not unfavourable, although exporters will have to make every effort to maintain their present sales.

## Fish Trade with Canada

Arrivals of Canadian fresh or frozen salmon in the Netherlands increased from six tons valued at 28,000 guilders in 1952 to 24 tons valued at 86,000 guilders during the first nine months of 1953. Netherlands imports of canned salmon also increased, rising from 191 metric tons valued at 551 thousand guilders in 1952 to 294 tons and 790 thousand guilders during the period January-September 1953.

Purchases of Canadian canned lobster and crab rose from 20,000 guilders in 1952 to 27,000 guilders during the first three quarters of 1953.

The improvement in Canadian exports of fish products to the Netherlands resulted largely from the fact that the premium paid for the so-called "export bonus" or free dollars dropped considerably during the greater part of 1953. The export bonus dollar scheme officially ended in December 1953. Bearing in mind the improved dollar position of the Netherlands, it is quite probable that dollar imports at the official currency exchange rate will be further eased in 1954.

According to the Netherlands import statistics, Canada made no shipments of fish oils to this country during the period January-September 1953.

Netherlands shipments of salted herring to Canada, which have grown steadily in postwar years, totalled 454 tons valued at 624 thousand guilders in 1952. During the first nine months of 1953, some 244 tons worth 335 thousand guilders were sent to Canada, compared with 301 tons worth 414 thousand guilders during the corresponding period of 1952. ●

# Credit Conditions in Latin America

*Most of the republics in this trading area built up their foreign exchange reserves and paid their accounts more promptly in 1953, though the degree of improvement varied from country to country, as special factors operated.*

A STUDY OF CREDIT CONDITIONS in Latin America reveals that 1953 was a year of improvement and growing strength. Gold and foreign exchange holdings increased from US$2,935 million at the end of 1952 to US$3,375 million at the end of September 1953—the highest level in seven years. Not all countries, naturally, shared equally in this general increase in reserves. Each of the Latin American republics presented, as always, an individual picture, varying with the world market demand for their major exports, with crop experience, the political situation, the effectiveness of administrative controls, and the different degrees of internal financial stability. Commercial credit and collection experience in the various countries in 1953 reflected the radically different conditions always apparent within any large trading area.

### Exchange Gains and Losses

High export earnings, largely from good coffee crops sold at rising prices, permitted Colombia, Costa Rica, Nicaragua and El Salvador to purchase a larger volume of imports and still accumulate a foreign exchange surplus. Brazil's trade experience improved dramatically but drastic import controls played an important part and the net improvement in foreign exchange holdings was complicated by foreign borrowings and repayments on the very large accumulated commercial debt. In Argentina and Uruguay exchange holdings recovered impressively after two years of difficulty, but here again the rise in exports was supported by cautiously restrictive purchasing of imports. Venezuela, Cuba and the Dominican Republic continued to trade at a high level and their persistently strong foreign exchange positions showed little material change.

The exchange accounts of Mexico, Peru, Guatemala and Haiti reflected the adverse trend of trade in these areas. Ecuador and Paraguay were not able, by a small margin, to balance their foreign accounts and accordingly suffered some loss of foreign exchange. Chile's holdings strengthened during the first half of the year but weakened again in the second half.

### Domestic Factors

The rather depressed business conditions that appeared in some of the countries early in 1953 fortunately did not become too serious in any of them. Argentina, which has suffered long and much from the inroads of inflation, saw the inflationary pressures subside somewhat during the year. By the end of '53 the downward adjustment in Cuba had run its course and a more optimistic mood re-asserted itself. The mild recession in Mexico is still causing business hesitancy and uncertainty. Politics and tin still trouble Bolivia, although arrangements with the United States did

### Summary of Changes during 1953

| Country | Exchange Position | Business and credit conditions | Outlook for 1954 |
|---|---|---|---|
| ARGENTINA | much stronger | improved | fair |
| BOLIVIA | some improvement | slightly better | uncertain |
| BRAZIL | improved | steadier | fair |
| CHILE | slight gain | weaker | less promising |
| COLOMBIA | stronger | little change | good |
| COSTA RICA | stronger | little change | good |
| CUBA | stronger | softer | satisfactory |
| DOMINICAN REPUBLIC | slight loss | little change | good |
| ECUADOR | slight loss | little change | satisfactory |
| GUATEMALA | weaker | more uncertain | fair |
| HAITI | some loss | more difficult | fair |
| HONDURAS | little change | little change | satisfactory |
| MEXICO | weaker | softer | fair |
| NICARAGUA | stronger | stronger | good |
| PANAMA | little change | more stable | satisfactory |
| PARAGUAY | slight loss | improved | less promising |
| PERU | weaker | weaker | more difficult |
| SALVADOR | little change | little change | good |
| URUGUAY | much stronger | improved | satisfactory |
| VENEZUELA | little change | little change | good |

help to improve the outlook. In Guatemala, coffee helps to keep the economy fairly prosperous but labour conditions continue to be disturbed.

Collection experience in the Latin American countries, as reported by the Federal Reserve Bank of New York, in general bears out the improved payments position as a result of stronger exchange reserves. Almost all the republics in this area paid their accounts more promptly over the year, with Argentina, Bolivia, Chile, Paraguay and Uruguay showing the most conspicuous improvement. Statistically, the percentage of accounts which Brazil paid promptly dropped sharply; the important feature, however, was that she was actually paying off large numbers of accounts methodically and chronologically, beginning with those of longest standing.

The Canadian Export Credits Insurance Corporation's experience roughly parallels that of the Federal Reserve Bank, although the Corporation's record of overdue accounts shows that Colombia, Guatemala, Haiti and El Salvador tended to be slower in making payment. In addition, overdue Canadian commercial accounts in Brazil were not liquidated in 1953 at the same rate as were the American arrears.

# ARGENTINA *Revives Its Grain Exports*

***Bumper crops, plus a more realistic export price policy, brought Argentine grain exports up to five million tons in 1953—and this figure may rise further in 1954.***

W. F. HILLHOUSE, *Agricultural Secretary, Buenos Aires.*

GRAIN EXPORTS FROM ARGENTINA during 1953, at five million metric tons, were the highest since 1948 and surpassed those for the two previous years combined. The bumper crops of 1952-53, plus a realistic export price policy, especially during the second half of the year, permitted this high level of exports in the face of heavy international stocks of most grains. Wheat at 2½ million tons, corn at over a million, and barley at over half a million, accounted for more than 80 per cent of the exports. No official estimates are yet available for the 1953-54 harvest and expected production varies with the crops. However, the amounts available for export, led by an anticipated bumper corn crop, will undoubtedly exceed 1953 exports.

These increased grain exports combined with a restrictive import policy to produce a salutary change in Argentina's balance of payments position. Between December 15, 1952, and December 15, 1953, her net holdings of gold and foreign exchange almost tripled, rising from 1,105 to 3,144 million pesos. The December 1953 figure is the highest since July 1951 and compares favourably with most net balances held since early 1948. However, when related to the amount of money in circulation within the country, the present balance appears less satisfactory; money in circulation increased from 5,257 million pesos in January 1948 to 19,201 million pesos in December 1953.

### Brazil Is Main Market

With a total of over 1,225,000 tons, Brazil again qualified as Argentina's best grain customer in 1953, a position temporarily usurped by France in 1952. Over 1,100 thousand tons of this were purchased for cruzeiros at a price well above the prevailing international level.

In 1953 the United Kingdom, after several years' almost complete absence from this market, became Argentina's second best customer. She led in corn and barley purchases, with 407 thousand and 260 thousand

**Argentine Grain Exports**

*(thousands of metric tons)*

| *Year* | *Wheat* | *Corn* | *Barley* | *Oats* | *Rye* | *By-products* | *Total* |
|---|---|---|---|---|---|---|---|
| Average 1930-39 | 3,406·1 | 6,234·2 | 300·9 | 446·6 | 124·9 | 316·9 | 10,928·6 |
| Average 1940-49 | 2,253·8 | 1,212·2 | 312·7 | 122·8 | 111·4 | 161·7 | 4,174·6 |
| 1948 | 2,143·6 | 2,520·8 | 665·9 | 81·5 | 141·6 | 353·0 | 5,906·4 |
| 1949 | 1,836·8 | 1,081·4 | 198·3 | 191·9 | 196·1 | 233·8 | 3,738·3 |
| 1950 | 2,747·2 | 796·4 | 93·2 | 400·1 | 172·1 | 211·4 | 4,420·4 |
| 1951 | 2,450·8 | 299·2 | 147·8 | 106·0 | 194·5 | 143·8 | 3,342·1 |
| 1952 | 67·6 | 643·6 | 121·8 | 43·8 | 113·1 | 52·6 | 1,042·5 |
| 1953 | 2,512·4 | 1,078·8 | 544·2 | 212·1 | 316·3 | 355·2 | 5,019·0 |

### Argentine Grain Shipments—Twelve Months 1953

(metric tons)

| *Destination* | *Wheat* | *Corn* | *Oats* | *Rye* | *Barley* |
|---|---|---|---|---|---|
| United Kingdom | 229,490 | 407,049 | ........ | ........ | 260,066 |
| Italy | 312,934 | 104,569 | 21,069 | 121,775 | 18,756 |
| Netherlands | 60,854 | 130,768 | 77,244 | 68,775 | 114,664 |
| Belgium | 41,547 | 110,232 | 24,035 | 61,443 | 70,535 |
| Switzerland | 48,288 | 27,225 | 43,491 | 7,810 | 20,020 |
| Germany | 52,668 | 80,595 | 700 | 150 | ........ |
| France | ........ | 87,459 | ........ | 6,494 | ........ |
| Sweden | ........ | 44,750 | ........ | 4,050 | 7,300 |
| Norway | ........ | 3,000 | ........ | 28,999 | ........ |
| Denmark | 6,000 | 3,451 | 4,000 | 16,779 | ........ |
| Austria | 1,500 | 24,418 | 900 | ........ | 784 |
| Finland | ........ | ........ | ........ | ........ | 7,350 |
| Spain | ........ | 5,000 | ........ | ........ | ........ |
| Yugoslavia | ........ | ........ | ........ | ........ | 4,500 |
| Hungary | ........ | ........ | ........ | ........ | 4,000 |
| United States | ........ | ........ | 33,314 | ........ | ........ |
| Brazil | 1,168,266 | 49,560 | 4,116 | ........ | 3,399 |
| India | 243,326 | ........ | ........ | ........ | ........ |
| Peru | 98,525 | ........ | ........ | ........ | ........ |
| Chile | 88,491 | ........ | ........ | ........ | ........ |
| Japan | 79,016 | ........ | ........ | ........ | ........ |
| Paraguay | 43,971 | ........ | ........ | ........ | ........ |
| Korea | ........ | ........ | ........ | ........ | 27,413 |
| Africa | 17,455 | 642 | ........ | ........ | ........ |
| Malta | 10,058 | ........ | ........ | ........ | ........ |
| Bolivia | 10,000 | ........ | ........ | ........ | ........ |
| Israel | ........ | ........ | 1,254 | ........ | 5,500 |
| Uruguay | ........ | ........ | 2,000 | ........ | ........ |
| Barbados | ........ | 102 | ........ | ........ | ........ |
| Totals | 2,512,389 | 1,078,820 | 212,123 | 316,275 | 544,287 |

tons respectively, and her wheat purchases (229 thousand tons) were the largest since 1947 and compared with an average of less than 20 thousand tons during the period 1948-52.

Italy was next in importance, taking almost 580 thousand tons, 313 thousand tons of which were wheat. Holland took over 450 thousand tons consisting mainly of corn, barley, oats and rye. India remained a good customer for wheat, buying over 243 thousand tons.

The table above gives details of Argentine grain shipments in 1953 by commodity and destination.

All the grains, and wheat by-products, contributed to the increase in total exports of these commodities. Wheat exports at 2,512,000 tons accounted for half the total and were the largest since 1950. They were, in fact, slightly higher than the average for the ten-year period 1940-49 and only about 30 per cent lower than the average for the ten years just before World War II. Shipments of corn at 1,078,000 tons were the best since 1949 and only slightly lower than the average for 1940-49. They represented, however, little more than 15 per cent of the average of the 1930's when Argentina was the main international supplier of this grain. Barley exports at 544 thousand tons almost equalled the cumulative total for the previous four years and compared favourably with exports of any previous period except 1946-48, when more than 600 thousand tons were shipped each year. Shipments of rye at 316 thousand tons reached an all-time record, as did exports of wheat by-products at 355 thousand tons. Oats exports at 212 thousand tons were the highest since 1950, noticeably better than the average for the 1940's, but only about one-half the average for the prewar decade. The table on page 14 gives exports by commodities for the years 1948-53 with comparative average data for the two decades of the 1930's and 1940's.

## Outlook for 1954

Official production estimates for 1953-54 have not yet been published for any of the crops and trade estimates vary widely. On the basis of our private estimates of 6,250,000 tons of wheat, 5,500,000 tons of corn and a total of 2·5 million tons of barley, rye and oats, all of which estimates are conservative, and allowing liberal quantities for domestic requirements and reserves, it would appear that there will be more than 7·5 million tons of these grains available for export in 1954. As there seems little likelihood that the present export price policy will be altered in the near future, Argentina may be expected to provide strong competition in the international grain markets this year, especially in corn, wheat, rye and oats. ●

# Cuba at the Close of 1953

*Readjustment was the keynote in Cuban business during the past year, largely because of uncertainty in the sugar industry. Canadian exports suffered from the business slump.*

G. A. BROWNE, *Commercial Secretary, Havana.*

THE RENEWED WORLD DEMAND for sugar since the end of the war was stimulated further by the Korean conflict and culminated in Cuba's record sugar crop and record national income in 1952. At the end of that year a period of adjustment began and, as 1953 drew to a close, production and income seemed to be stabilizing at somewhat lower levels.

The 1952 sugar production of seven million long tons was cut back because of the falling world price to approximately five million long tons in 1953, with a resulting fall in national income from 1952's two billion pesos (one Cuban peso equals one U.S. dollar).

## Uncertainty Affects Business

Throughout 1953, major business indices drifted downward in an atmosphere of uncertainty over prospects for the country's mainstay, the sugar industry. The signing of the International Sugar Agreement in London in August coincided with an apparent check in this business decline, though some part of it stemmed from characteristic seasonal factors. Although commodity sales in general picked up through the fourth quarter, they were still below those for the same period in 1952. Many businessmen were waiting for a clearer guide to Cuba's probable 1954 income and particularly for the establishment in December of the sugar quotas for the U.S. and the free world markets. Figures for the complete quarter are not yet in, but it is believed that the trend in the four months since June changed only slightly from the average of about 25 per cent below the same period of 1952. Total deposits and bank loans went down in the second half; the decrease in loans indicated trade and investment caution.

Though the adjustment in sugar production following the 30 per cent cutback for 1953—with the probable prospect of little or no increase in the immediate future—was accompanied by parallel adjustments in other areas, the level of supply has remained relatively high. Domestic agricultural and industrial production, plus imports, were generally adequate and there were no excessive price swings in essential consumer goods, partly because of some government intervention.

The taking-up of slack in the sugar industry and in some other less important areas was aided by certain new developments. Those of chief interest are the rapidly expanding rice industry and, in the western end of the island, an important cotton project. The cattle industry has made steady progress, with improved quality and sales and steadier prices. Fruit growers have maintained their production of pineapple and citrus, important exports, but garlic, onion and coffee growers have had problems.

The mining industry has had a good year, with production of manganese, iron ore, copper, nickel and chrome exceeding that of 1952.

In manufacturing, a large new brewery and a cement factory, and expanded operation of the eastern province's nickel plant have, together with the plans for urban and rural electrification, cushioned some of the decrease in employment and income. The Government's new loan to consolidate certain existing public obligations provides $50 million for a variety of public works, including irrigation projects, municipal waterworks, highways and rural roads, hospitals, public buildings and repairs to public property, and will help to maintain employment and keep up consumer demand. Worth noting is the plan for a Cuban Foreign Trade Bank to promote Cuban exports and to facilitate trading with countries maintaining exchange restrictions. The initial capital for the proposed Foreign Trade Bank will come from the above loan.

## Foreign Trade Declines

Cuba's foreign trade, according to official figures for the first half of 1953, showed a decline in imports of 22 per cent and in exports of 8 per cent, compared with the first half of 1952. In the absence of 1953 year-end figures, there were signs that imports continued to decline slightly, with exports holding close to 1952 year-end levels. Monthly reports of Havana Customs House receipts, consistently lower throughout the year than in 1952, showed an average decline of about 18 per cent in the five months from July-November compared with the year before.

DBS figures for the first nine months of 1953 showed that Canadian exports to Cuba were down 37 per cent in value from the previous period. This decline compared with the same period in 1952 had three main causes: the general weakening in business conditions, non-recurring capital imports, and increased foreign and domestic competition. The record sugar crop and high national income in 1952 encouraged over-buying. The sugar cutback after the 1952 crop, plus lower national income and unsettled political conditions at that time, caused a business decline with shrinking credit. Importers and the domestic trade generally bought warily. Items affected under this particular heading were salt cod and canned sardines, automobiles and trucks, clocks, asbestos manufactures, fertilizers, pigments, drugs and chemicals—and sporting ammunition, import of which was strictly forbidden.

**Foreign Trade of Cuba**

(Commodity Imports and Exports in millions of pesos)

(Because of rounding, figures do not necessarily agree with totals.)

| | 1948 | 1950 | 1952 | 1953 |
|---|---|---|---|---|
| *Imports* | | | | |
| 1st Quarter .......... | 148·5 | 119·4 | 161·8 | 132·2 |
| 2nd Quarter ........ | 127·5 | 118·6 | 161·0 | 119·4 |
| 6-months .......... | 276·0 | 238·0 | 322·8 | 251·6 |
| 3rd Quarter ........ | 117·9 | 133·4 | 145·4 | |
| 4th Quarter ........ | 135·5 | 143·6 | 149·9 | |
| | 251·5 | 277·0 | 295·4 | |
| Total ............ | 527·4 | 515·0 | 618·3 | |
| *Exports* | | | | |
| 1st Quarter .......... | 189·8 | 124·2 | 172·8 | 162·1 |
| 2nd Quarter ........ | 207·6 | 165·9 | 219·8 | 197·3 |
| 6-months .......... | 397·4 | 290·1 | 392·6 | 359·5 |
| 3rd Quarter ........ | 195·0 | 204·7 | 166·8 | |
| 4th Quarter ........ | 117·4 | 147·2 | 115·8 | |
| | 312·4 | 351·9 | 282·6 | |
| Total ............ | 709·8 | 642·0 | 675·3 | |

## Commodities Affected

In the case of aluminum and aluminum semi-fabrications and manufactures, which fell off by nearly 70 per cent, the general business slump at the end of 1952 caught importers here with large stocks on hand. Canadian aluminum exports were also affected by competition from low-priced Japanese galvanized iron roofing sheets. Imports of copper tubing fell chiefly because of the standstill in sugar mill maintenance and repair. The 168 sugar mills—large users of copper tubing, much of which needs to be replaced periodically—deferred replacement because of difficult business conditions at the end of 1952. Local importers are still holding large stocks of copper tubing imported in 1952.

The 13 per cent drop in newsprint is explained both by heavy imports at the end of 1952 and withholding of orders in early 1953 to balance local inventories. The business slump also affected advertising and, with reduced lineage, Havana newspapers were said in some cases to have reduced the size of their editions by as much as six pages—some 8 to 12 per cent of their newsprint requirements. Part of the reduction may also be due to the higher price of Canadian newsprint. This slump in 1953 trade and manufacturing similarly affected ferro-alloys, imports of which fell off by $22,000, or nearly 85 per cent, because of foundry slow-downs.

The major item under non-recurring imports was dissolving pulp. The Compania Rayonera Cubana imported an experimental quantity in 1952 for test purposes and there is some possibility that this company will resume imports of this particular type of dissolving pulp in 1954. Imports of semi-fabricated steel, machinery and parts, which declined by half a million dollars in 1953, were 1952 capital items which are not likely to recur annually. The same is true of the $90,000 decline in dynamos, generators, and parts.

Imports of Canadian wheat were sharply lower (by $439 thousand, or about 17 per cent) because of the low-protein content of some of the 1952-53 crop, and were replaced, it is understood, by United States wheat. The drop of just over two million dollars, or about 95 per cent, in Cuba's imports of Canadian flour can be almost entirely attributed to the operations of the new Burrus flour mill in Havana which is said to be milling between 40 and 50 per cent of the Island's total domestic consumption. The drop of $178 thousand in oats was caused by the embargo imposed by Cuba as a result of hoof and mouth disease in Canada; this embargo was not raised until July 1953.

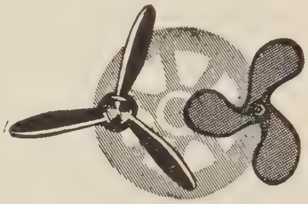
*Bundles of sugar cane arrive at a Cuban sugar mill, where processing will begin. Cuban sugar production was cut back in 1953 by some two million tons and national income was affected by this development.*

Calf upper leather, which fell off by $18,000 (or 50 per cent) from 1952 is being largely replaced by cheaper domestic side leather. There continue to be some small imports of calf, principally from Holland, at prices considerably below the Canadian. The fall of $125 thousand in canned milks is seasonal as is that of calcium compounds (shipped from St. Lawrence ports), and in the former is directly related to the duty-free period for this import. The same applies to the small decline in shell eggs.

Manufactures of iron, aluminum semi-fabs and aluminum manufactures fell off as a result of the European competition and brass and copper semi-fabs because of Belgian and West German competition, which also cut into the copper tubing market. Canadian copper wire and cable sales suffered from Italian and Spanish competition. Cuban buyers of copper screen have recently looked to Belgian and West German producers. The $110 thousand decline in sales of electric meters and parts is explained by European competition, particularly British, although Switzerland is now making a strong bid for this market. Recovery of our sales will depend entirely on price.

Most wholesale and retail trade channels currently appear well stocked. The start of the sugar grinding season in January, however, coinciding with the peak of the tourist season, should see some change from the characteristic seasonal sluggishness of the fourth quarter. ●

## transportation notes



### Canada

CANADA-MEDITERRANEAN PORTS—The Canada Levant Line will operate a new monthly service from eastern Canadian ports to the Mediterranean area when the 1954 navigation season opens in the St. Lawrence River. Cargo will be accepted for discharge at Lisbon, Barcelona, Marseilles, Genoa, Naples, Piraeus, Istanbul, Famagusta, Beirut and Alexandria, as well as the North African ports of Algiers, Tunis, Tangiers and Casablanca. In addition, the Canada Levant Line will accept cargo for ports in the Red Sea, Persian Gulf and India, to be transshipped at Alexandria through the Suez Canal to the territories mentioned. Facilities will also be provided for refrigerated cargo and bulk oils and there will be limited passenger accommodation. The general agents for the Canada Levant Line will be the Federal Commerce & Navigation Company Limited of Montreal.

### Chile

GERMAN SHIPS BOUGHT—Three ships with a tonnage of 15,000 each have been acquired from Germany by a Chilean shipping company for service in the northern part of Chile. Each vessel will have five hatches and a marked improvement in the loading and unloading service is anticipated. The purchase is being financed by the Chilean State Bank on a long-term basis—Santiago, Feb. 5.

### Greece

STORAGE IN BOND EXTENDED AND REGULATED—Following the liberalization of trade last April and July, when transit and "in bond" imports were again permitted in Greece, another step was recently taken to help importers handle such shipments. By decision of the Minister of Finance, imported commodities may be stored in bond in state warehouses or the central warehouses of the General Warehouse Company of Greece for any period up to 12 months for foodstuffs and 15 months for other commodities. Supplies used for the repair and catering of ships may be stored up to three years. In the event that space is not available in these warehouses, such items as molasses, goods requiring refrigeration, lubricants and fuel, sponges, explosives, asphalt, malt, gummed paper and cardboard for playing cards used only by the state playing card monopoly may be stored in privately-owned warehouses, following approval by the customs authorities. An exception is newsprint which may normally be stored in bond in privately-owned warehouses which have been accepted as branch warehouses or annexes of the General Warehouse Company in the three cities of Athens, Piraeus, and Salonica. There are several such private newsprint warehouses owned by newsprint importers and wholesalers and licensed as annexes of the General Warehouse Co.—Athens, Feb. 3.

GREEK-OWNED SHIPPING REPATRIATED—By special provisions in the new Greek law on foreign capital, the considerable privileges given to all private foreign investment in Greece have been offered to vessels of over 1,500 tons gross owned by Greek nationals and registered under a foreign flag. It is hoped that as a result of this preferential treatment much of this shipping will ultimately be repatriated and become a source of revenue for the Greek economy. If successful on any important scale, the effect of this measure on the entire Greek economy can hardly be under-estimated. At the end of 1953, Greek-owned tonnage totalled 8·8 million tons gross or 1,160 vessels of over 500 tons capacity. Registries under the Greek flag from this number include only 13·5 per cent of the tonnage or only 25 per cent of the number of vessels—292, mostly coastal ships.

The first results of this effort are encouraging. The new Greek-owned cargo-passenger liner *Atlantic* has been returned to Greek registry and is scheduled to sail between Piraeus and New York via Halifax, beginning next July. The newly-built cargo steamer *Athinai,* also to fly the Greek flag, will start a regular line between Greece and South American ports, and will soon be joined on the same route by two more newly-built cargo steamers now being negotiated for transfer to the Greek registry. Meanwhile negotiations are continuing for the registry in Greece of the new Goulandris transatlantic line *Olympia* (flag of Liberia) of 22,979 tons, just completed at Clydeside—Athens, Feb. 3.

## India

NEW PLANES FOR AIR INDIA—Orders have been placed abroad for five *Super-Constellations* for Air India International, India's recently nationalized and only overseas airline. The airline's present fleet consists of four *Constellations* which may be diverted to domestic service after the *Super-Constellations* are received. The planes will be India's first *Super-Constellations* and will cost over Rs.40 million. Two of them will be delivered in May and the remainder early next year. In addition to improving the service on existing routes, the new planes will enable the newly-formed Indian Airlines Corporation to expand its foreign services. A service to Tokyo and another to Singapore and Djakarta are being considered by the Communications Ministry; they may start in August—New Delhi, Feb. 2.

## Pakistan

KARACHI-LONDON AIR SERVICE—Pakistan's plans to enter the international aviation field are progressing. The overseas service of Pakistan International Airlines will begin flights on April 18th with three new *Super-Constellations.* The new airlines' personnel are now training in the United States and the Netherlands. It is said that the new Karachi-London service of Pakistan International Airlines will provide the quickest service between the two cities, not excluding the present *Comet* service of BOAC. This will be effected by cutting down the number of intermediate stops to one at Damascus and thus achieving a 17-hour schedule between Karachi and London—Karachi, Jan. 30.

## Panama

NEW AIRPORTS PLANNED—A law for the construction of airports at points which are not linked by permanent highways to urban centres with hospitals is up before the Congress of Panama. This law includes the surveying and necessary studies to condition the runways which are now in use but need improving. In the budget a sum of balboas 100,000 ($100,000) will be set aside for this project—Guatemala City, Feb. 1.

## United States

The state of Ohio has introduced a new tax on trucking which has resulted in the cancellation of reciprocal agreements between the state of Kentucky and Ohio. Nine other states are threatening action because of Ohio's refusal to exempt truckers from their states from this new tax on the basis of existing reciprocal agreements. The tax is payable on every truck with three or more axles and the charge is made on a cents per mile basis. The five classifications and the tax rates for each are as follows:

1. Commercial car with three or more axles, ½ cent a mile.

2. Tractor combination with three or more axles, 1 cent.

3. Tractor combination with maximum of four axles, 1½ cents.

4. Tractor combination with total of five or more axles, 2 cents.

5. Car or tractor operated as part of a tandem with four or more axles, 2½ cents.

The truck operator is responsible for keeping a record of all miles travelled in Ohio and the amount of tax due each quarter. The state requires that each operator keep a daily manifest listing starting point, destination, speedometer readings and taxable miles travelled for every truck. All private truck mileage, empty or loaded, is subject to the tax. It is understood that Canadian trucks entering Ohio will also be subject to this tax. Taxes must be paid each quarter. The first quarter ended January 1st and tax returns were due January 20th—Detroit, Feb. 10.

# Israel: Attacks Its Food Problem

H. W. RICHARDSON
*Commercial Secretary, Athens.*

*With heavy food imports draining off foreign exchange, Israel is studying three main techniques for improving domestic food production and cutting down on purchases abroad.*

IN ITS FIFTH YEAR as an independent state, Israel still must import over 50 per cent, by value, of the food for its 1½ million people. This means, naturally, a heavy drain on limited foreign exchange reserves; Israel pays out over $50 million a year for imports of wheat, oil seeds, sugar, meat and fish alone.

This heavy outside expenditure continues despite the spending of over $300 million on agricultural expansion and mechanization, the doubling of land under cultivation, and the continued food rationing. So far, local production provides only one-third of the nutritional needs of the population.

## New Approach Needed

During the days of the British Mandate, the basic objective of Jewish colonization was the acquisition of land and the settlement of the largest possible number of persons per acre. The provision of food came second because it could be obtained cheaply from neighbouring Arab countries. Jewish agriculture then concentrated upon intensive farming, with livestock, fruit and vegetables as the basis. The colonists relied upon Arab farmers for their grain and feed.

With the emergence of the State of Israel and the virtual elimination of local Arab agriculture, the Jewish population acquired large tracts of land. At the same time the young state faced the task of supplying most of its own grain because of the embargo imposed by the Arab countries. This objective is still not attained because the available arable land is severely limited and the present set-up of the many "Moshav" co-operative farm units does not lend itself to extensive one-crop farming. Instead, these co-operatives practise intensive mixed farming by smallholders. Some progress has been made, however, in encouraging grain and fodder cultivation in the "Kibbutz" collective type of farm settlement and Israel reportedly grows over 60 per cent of its needs of barley—the principal grain for fodder—and all the green fodder necessary to support the limited livestock population.

However, locally grown wheat supplies only 10 per cent of the needs of a heavy bread-eating population and about 250 thousand metric tons have to be imported each year at a cost of about $20 million; Canada supplies about one-third of this. Some Israelis feel that at least 60 per cent of the acreage now under barley could and should be turned over to wheat-growing, though this would mean smaller poultry feed production and an eventual drop in the fowl population and the egg ration.

## Progress to Date

The table on the next page gives a breakdown of the area under cultivation, plus production figures of the main crops and livestock raised during the agricultural year October 1951-September 1952, with comparative figures for the year 1949-50.

## Field Crops

Israel is still far from supplying her requirements for all essential field crops but has made considerable progress. She now grows all her own vegetables, except potatoes and onions, and soon may export several early-season vegetables, particularly carrots, to North Europe. Green and grain fodder requirements are covered in large part from domestic production. Israel will have to depend on imported wheat for many years but has made some progress in increasing the yield per acre and grows about 35,000 tons in a good year.

The commercial possibilities of new fibre crops, such as flax (1,750 acres) cotton and ramie have already been proved and around them new industries may grow up. The initial cultivation of sugar-beet (2,500 acres) and peanuts (3,000 acres) has also been successful and cultivation on a commercial scale will eventually help to reduce the present annual imports of sugar (34,000 tons) and oil seeds (60,000 tons), costing $15 million.

Production of both Virginia leaf and Oriental tobacco has been expanded and the record yield of 1952 was well above requirements for the Oriental variety.

However, the extensive cultivation of these industrial crops is not easy within the framework of the existing types of agricultural settlement, with their individual smallholdings. Large land-holdings have until now been confined mainly to citrus growing and to some grain and green fodder cultivation by the collective "Kibbutz" type, usually on tracts of land away from their own settlement.

### Citrus Leading Export

The largest single crop in this branch of agriculture has always been citrus, which accounts for about 50 per cent of all exports. The wartime abandonment of large groves and the temporary manpower shortage had an adverse effect which is still felt. Of the 50,000 acres of groves in 1948, some 34,000 acres are once again producing and the long-term target has been set at 62,500 acres through annual plantings over ten years. Machines are replacing hand labour, groves are being thinned out to permit further mechanization and make picking easier, and sprinkler and aluminum pipe irrigation is replacing the old reservoir and canal system. The 1952-53 season's export of 5,325,000 cases of citrus was a record.

The larger part of the area devoted to olive production is non-irrigated and yields are low. However, the small irrigated acreage gives a high yield of fruit of a quality suitable for pickling and these pickles may enter the export market in the near future.

The entire area devoted to bananas is irrigated and produces a high average yield of the Cavendish variety. Trial shipments may be made to Finland and Italy in 1954.

The production of dairy products, eggs and meat falls far short of minimum requirements, because of limited fodder, insufficient livestock and the doubling of the population since 1948. The present level of milk and egg production allows for a distribution of 80 litres of milk a year and three eggs a week per person.

### Experiments in Livestock Breeding

At present 50 per cent of the milk supply is imported in powder form; a very limited quantity of butter is produced locally. The average yield per milch cow is 3,500 litres a year. To attain self-sufficiency in milk products, the present herd of 62,500 cows, mainly Holstein-Friesians and some Brown Swiss, would have to be doubled. Present plans call for the import of 12,000 cows as foundation stock during the next five years. Sheep and goats serve primarily as a source of milk for cheese making and a further 15,000 sheep from Turkey are expected shortly.

Domestic beef production is approximately 2,000 tons a year. With a potential half-million acres of natural pasture still available, this could be increased and the foreign exchange outlay on meat imports cut down. An attempt is being made to raise a special "beef race". Some 200 head of Herefords and some Brahmin have been imported and experiments are being carried out at four experimental stations and at the Acre stud farm. Similar experiments are directed towards producing a special race of meat-bearing sheep which could also graze on the natural pastureland.

### Breakdown of Agricultural Production

| | 1951-52 | 1949-50 |
|---|---|---|
| Total cultivated area | 1,009,000 acres | 712,500 acres |
| Under irrigation | 127,500 " | 87,500 " |

| | Area under cultivation (in acres) | | Production (in tons) | |
|---|---|---|---|---|
| | 1951-52 | 1949-50 | 1951-52 (est.) | 1949-50 |
| Hay | 95,500 | 57,750 | 120,000 | 63,000 |
| Fodder | 57,000 | 42,750 | 600,000 | 400,000 |
| Barley and oats | 210,000 | 127,500 | 90,000 | 38,300 |
| Wheat | 81,250 | 92,000 | 31,000* | 27,000 |
| Pulses | 28,000 | 17,500 | 5,000 | 2,300 |
| Oil seeds | 14,500 | 17,750 | 6,500 | 4,150 |
| Tobacco | 13,500 | 6,750 | 3,000 | 1,500 |
| Melons | 15,500 | 14,750 | 40,000 | 44,700 |
| Potatoes | 7,000 | 5,750 | 45,000 | 35,000 |
| Vegetables | 41,500 | 27,500 | 180,000 | 125,000 |
| Citrus | 33,750 | 31,750 | **8,900,000† | 6,267,610 |
| Grapes—table | 12,750 | 11,250 | 10,000 | 9,450 |
| Grapes—wine | 6,875 | 3,600 | 7,500 | 7,400 |
| Bananas | 2,200 | 1,162 | 8,500 | 2,000 |
| Olives | 34,250 | 34,250 | 12,000 | 3,800 |
| Other fruit | 13,500 | 11,125 | 12,000 | 11,350 |
| Beehives (units) | 34,000 | 28,000 | ........ | ........ |
| Honey | ........ | ........ | 550 | 420 |
| Cows (head) | 62,500 | 37,523 | 112,000§ | 93,000 |
| Sheep and goats (head) | 135,000 | 110,000 | 18,000 milk | 13,000 |
| Meat, liveweight | ........ | ........ | 10,350 | n.a. |
| Laying hens (head) | 2,095,000 | 2,715,000 | 355 m. eggs | 330 m. |

---

* act.

** 1952-53 season.

† Cases.

§ Kilolitre.

Israel's poultry require 170 thousand tons of feed a year, including barley, corn, wheat bran, oil cakes, fish and meat meal, antibiotics, etc. During 1952, with a bumper crop, local production covered over 60 per cent of the poultry feed requirements. However, foreign exchange difficulties permitted the import of only 80 per cent of the full quota of feed and there has been some illicit diversion of bread grain for feed. There seems little chance, therefore, of increasing the poultry population over the present 2½ million. Despite the small domestic ration, trial shipments of 15 million eggs are to be made to Switzerland during this winter's peak laying period.

### Mechanization Is Increasing

A recent census of agricultural machinery showed a total of 3,133 tractors, 783 grain combines, 235 forage harvesters, 897 power-driven sprayers and dusters, 563 pick-up balers, 759 drills, and 16,917 other agricultural machines.

Comparative figures for 1948 are available for three types of machines only, and the following table, relating to Jewish farming, shows the mechanization which has taken place during this period:

| *Machinery* | *March 1952* | *Sept. 1948* | *Percentage Increase* |
|---|---|---|---|
| Tractors | 3,090 | 681 | 354 |
| Crawler | 1,546 | 501 | 286 |
| Wheel | 1,544 | 280 | 451 |
| Combine harvester—grain | 779 | 261 | 198 |
| Balers | 562 | 173 | 225 |

This extensive use of imported agricultural machinery since 1948 has contributed substantially to the satisfactory increases in cultivation during this comparatively short period. However, some critics feel that mechanization has been carried too far in relation to the difficult foreign exchange situation and the ample labour supply.

### Future Outlook

Irrigation projects, soil conservation schemes, re-seeding of natural pastures and plant protection are among the many activities which the Israeli Ministry of Agriculture is carrying out on an increasing scale in an effort to obtain the maximum yield from the potentially fertile soil of this land which centuries of neglect have turned into a barren waste.

Israel's basic problem, limiting any appreciable reduction in her imported food bill, is insufficient water. The country reputedly does not lack water but rainfall is low and the irrigation systems developed in ancient times have fallen into disuse. An up-to-date and extensive system must be created if Israel is ever to approach self-sufficiency in food production with its limited arable land. Of this area, one-eighth is now irrigated—a larger percentage than in almost any country. Grandiose irrigation schemes have been put forth, the largest and most important of which is the "All-Israel Scheme" which would take at least ten years to complete and would eventually irrigate over 600 thousand acres. The basis is the transfer of surplus water from the Galilee area in the north to the Negev in the south, which has been a desert for centuries. However, this will probably depend upon international agreement and possible United Nations approval. Meanwhile, smaller regional and local schemes are being implemented or extended.

Altogether, in five years Israel has made excellent agricultural progress. If it is ever to become largely independent of food imports, however, agricultural policy must be changed. Increased irrigation, greater cultivation of industrial crops such as sugar beets, cotton, oil seeds and possibly some wheat, and full use of natural pastures for cattle grazing—these three steps seem to give the greatest promise in achieving this objective. ●

## Portugal's Cork Industry

*The Portuguese cork industry reports that it has acquired over 90 per cent of the 1953 crop of cork, a total quantity of over 100 thousand tons, at prices 15 to 20 per cent higher than those ruling in 1952.*

*Official figures covering the first nine months of 1953 give raw cork exports as 93,387 tons valued at 520,450 contos (approximately Can.$15,613,500), compared with 93,521 tons in 1952 valued at 564,573 contos (approximately Can.$16,937,190). Exports of manufactured cork amounted to 23,837 tons worth 347,654 contos, as compared with 19,161 tons valued at 366,966 contos in 1952. Raw cork exports in the first nine months of 1953 included five classifications as follows (1952 figures in brackets): waste, 44,807 tons (43,234); corkwood, 16,809 tons (25,663); virgin, 15,794 tons (8,134); refugo, 11,372 tons (12,691); granulated, 4,605 tons (3,799). Manufactured cork exports were divided as follows (1952 figures in brackets); agglomerated cork, 18,226 tons (12,284), corks, 3,959 tons (4,794); discs, 1,134 tons (1,376). The principal buyers for raw cork were the United States, 46,495 tons; Germany, 9,533 tons; the United Kingdom, 8,674 tons, and Russia 4,744 tons. The main markets for manufactured cork were the United Kingdom, 5,260 tons; the United States, 3,995 tons; and Canada, 3,308 tons.*

# General notes

## Brazil

NEW REFINERY—It is expected that the Cubatao refinery between São Paulo and Santos may be in partial operation by June 1954. This plant will have a capacity of 45,000 barrels a day and will represent an estimated annual saving of approximately US$30 million. The expansion has already been authorized to increase the capacity to 75,000 barrels a day, which would represent a saving of US$50 million a year—São Paulo, Feb. 4.

## Burma

OIL INDUSTRY PARTIALLY NATIONALIZED—A joint oil venture, the Burma Oil Co. (1954) Ltd., was formally established under an agreement signed January 12, 1954, between the Union Government and the three main oil-producers in the country—the Burma Oil Co., the Indo-Burma Petroleum Co. and the British-Burma Petroleum Co. Self-sufficiency in petroleum products is the immediate aim of this co-operative venture in which the Government of Burma has acquired an initial one-third interest. A longer-range objective is to refine 10,000 barrels of oil a day, which will enable Burma to resume its lucrative prewar export trade in oil—Bombay, Feb. 2.

## Colombia

PLANNING COUNCIL ABOLISHED—The three-man National Planning Council set up by the Colombian Government in 1952 has been abolished by government order, as from January 1st. Henceforth its functions will be performed by the Secretary of Technical and Economic Affairs of the President's staff, who will also be known as the Director of Economic and Fiscal Planning—Bogotá, Feb. 3.

NEW TIRE FACTORY—It has just been announced that the Seiberling Rubber Company of Akron, Ohio, will manufacture tires in Bogotá. According to press reports, the Seiberling Company will be a minority shareholder in a new seven million peso Colombian corporation being established and the majority of the stock will be subscribed by local capital. The new company will be called "Productos de Caucho Villegas", and the machinery will be mounted in the plant of "Almacen Villegas", which since 1942 has engaged in making rubber tiles, shoes and camelback, and in retreading used tires. It is expected that the manufacture of "Seiberling" tires will begin early next year and Seiberling will thus become the third American company to invest in a Colombian plant. The other two are Goodyear and Goodrich, who have each had an interest in a local plant for some years—Bogotá, Feb. 4.

## Cuba

NEWSPRINT FROM BAGASSE—Intensive studies continue on the use of sugar-cane bagasse as a raw material for newsprint and other papers. At the request of the Cuban Government, a United States Department of Commerce expert has been loaned to Cuba to assist in the preparation of a report on the feasibility of the undertaking. Considerable publicity continues to be given this project, including the offer of the Sugar Workers' Retirement Fund to advance the capital for the establishment of a mill. To date, no concrete steps toward implementing this project have been made public—Havana, Jan. 30.

## El Salvador

HIGHWAY PLANNED—The Governments of Honduras and El Salvador are planning the construction of a highway to link El Salvador with Puerto Cortes. This was one of the main points discussed between the Presidents of the two countries at a recent meeting. The cost of the highway is calculated at $10 million—Guatemala City, Feb. 3.

## Indonesia

POPULATION—According to a recent estimate, the population of Indonesia totals 79·2 million. No census has been taken since 1930. The foreign population of the city of Djakarta is estimated at 129 thousand, of which 44,435 are Dutch nationals, 1,753 Europeans and Americans, 82,880 Chinese and 2,782 other Asiatics—Djakarta, Feb. 2.

FRIENDSHIP TREATY WITH PHILIPPINES—Documents were exchanged in Manila on November 20, 1953, ratifying the treaty of friendship with the Philippines which was initiated in 1951—Djakarta, Feb. 2.

TRADE WITH JAPAN—Plans are reported to be under way whereby Japan would import cow and calf hides from the United States to the value of

$3·9 million and crude oil from Indonesia to the value of $1·2 million, for settlement through the Japan-Indonesia open account—Djakarta, Feb. 2.

### Italy

HIGH TENSION TRANSMISSION CABLE—Construction of a high tension transmission cable across the Straits of Messina from the mainland of Italy to Sicily has been announced. This cable, the longest of its kind in the world and measuring 3,653 metres in one span, is being readied in Milan and will be carried south wound on bobbins loaded on specially constructed trucks. The steel towers for this work, which are 224 metres high and weigh 450 tons, are also being constructed in Milan and will be fitted upon the two cement bases which have just been completed and which required 7,000 tons of cement and 850 tons of iron. When completed, this high tension transmission cable will carry electric power from new power stations in the Sila mountains to Sicily for use in the industrialization programs now under way on the island—Rome, Feb. 5.

### Nicaragua

TRADE BALANCE FAVOURABLE—Nicaragua's trade balance was favourable during 1953, according to official sources. During January-October the favourable balance was US$16,063,485 and total exports during those ten months rose to US$50,140,772, as against total imports of US$34,077,287—Guatemala City, Feb. 3.

### United Kingdom

GOLD AND DOLLAR RESERVES INCREASE—During January, the sterling area had a surplus of $25 million in its balance of payments on current account. Gold and dollar reserves, as a result, increased to $2,543 million at January 31st. The surplus in the balance of payments arose after taking account of the receipt of $15 million from the United States as defence aid, and the payment of $4 million to the European Payments Union, representing that part of the December deficit with the Union which had to be paid in gold or dollars—London, Feb. 18.

FATS DERATIONING—Rationing of butter, cheese, margarine and cooking fats in the U.K. will end on May 8, 1954. At the same time branded margarine will be reintroduced. The subsidized retail cost of butter is at present 3/4d. per lb. (46 cents), with the ration 3 oz. weekly. The unsubsidized free market cost may rise to 4/– per lb. (55 cents), but the reintroduction of higher-quality branded margarine may prevent any rise greatly in excess of that figure. Margarine at present is unsubsidized at 1/6d. per lb. (21 cents) and though the "standard" quality will continue to be available, it is expected that improved products costing approximately 1/10d. or 2/– per lb. (25 or 28 cents) will be put on the market. Margarine and cooking fats are now sold freely to anyone after rationing commitments have been met. Cheddar cheese is similarly available off ration at the controlled subsidized price of 2/2d. per lb. (30 cents)—London, Feb. 18.

### United States

CONSUMER CREDIT DECLINES—Recent figures indicate that the expansion in consumer credit in the United States is showing a marked decline. Expansion in the month of December 1953 was only $221 million, about one-third as much as the increase in the same month in 1952. Perhaps the most interesting change in this picture was the decline in automobile financing. Normally the credit for the purchase of automobiles makes up about one-half of all instalment credits; in December, for the first time in 21 months, there was an actual decline of $69 million in this type of credit compared with a gain of $243 million for the same month in 1952. For 1953, consumer credit rose by $3,069 million, bringing the total up to $28,896 million. With total disposable personal income at the end of 1953 standing at about $250 billion, the consumer credit stands at about 11·5 per cent, only a very slight gain over the position at the end of 1952—Washington, Feb. 19.

### Venezuela

MILK PROCESSING PLANTS PLANNED—It ha been widely reported in the Caracas press that tw milk powdering plants will soon be constructed in Venezuela. It is claimed that a milk producers association in the State of Zulia and a dairy produc firm in The Netherlands will combine, possibly wit Venezuelan Government financial aid, to establish plant in the Maracaibo area with a processin capacity of 18,000 gallons of fresh milk daily. Th other factory is planned for the Carora area of th State of Lara, again in conjunction with local mil producers. According to reports, the machinery fo this installation will arrive from Britain withi weeks and initial production could begin in Octobe

Venezuelan powdered milk production from the on plant currently operating has been increasing rapidl and now provides some 10 per cent of the country consumption, estimated to be 70 million pounds year, including bulk skim milk powder. In the firs 10 months of 1953, Canada exported to Venezuel 6·6 million pounds of whole powdered milk and 1· million pounds of skim powdered milk—Caraca Feb. 3.

# INDIA Plans Steel Expansion

*When the new steel mill to be built by a German combine for the Indian Government is operating at capacity, India may become the world's cheapest producer of quality steel.*

RICHARD GREW, *Commercial Counsellor, New Delhi.*

INDIA IS PLANNING for the day when Indian mills will be able to supply most of the country's steel needs. After prolonged negotiations in Bonn and New Delhi, the Government of India, on December 22, 1953, signed an agreement with the German combine of Krupp and Demag A.G. for the installation of a new steel plant. With the signing of this agreement, the Indian Government has embarked on what is undoubtedly its greatest industrial venture.

## Financing the Project

The memorandum and articles of association for a private limited company under the name "Hindustan Steel Limited", with an authorized capital of Rs.1,000 million, have also been signed. The Government will hold 80 per cent of the shares and the German combine the remainder. The chairman and managing director will be government nominees and the German combine will have 20 per cent representation on the board of directors.

The company's initial capital issue is Rs.500 thousand, of which Rs.400 thousand is to be contributed by India and Rs.100 thousand jointly by Messrs. Krupp and Demag A.G. Subsequent issues of share capital will be made as expenditure mounts, preserving the ratio of four to one. A substantial portion of the capital investment (which is not expected to exceed Rs.700 million) will be raised through an internal loan, although it is quite likely that the World Bank may also be approached.

## Technical Consultation Agreement

The agreement requires that orders for equipment must be placed in West Germany at least to the extent of one-quarter of the capital invested. But there is an important safeguard in the stipulation that world tenders will be invited for plant, equipment and supplies. Quality, price and delivery will be determining factors in the choice, subject to the exclusion of government-subsidized tenders.

The financial partnership is fixed for ten years, with option to either party to extend it by another ten. Messrs. Krupp and Demag will be responsible for the design, layout and erection of the plant and they have undertaken to bring it into commission within four years. The technical management will be provided by the German firms but they will train Indians in its operation in India and Germany. As far as possible, Indian personnel will be employed even in the erection of the plant. The German technical consultants will advise on the township but the work of constructing houses and the financial outlay lie outside the scope of the present agreement.

The technical consultation agreement appears to be far wider in range than any similar arrangement entered into by the Government of India. The consultation fee has been fixed at Rs.21 million, but the German combine will continue to act as consultants for a further three years after the commissioning of the plant without additional charge. An unusual clause states that, if the performance falls short in any way, the Germans will pay a penalty to the full extent of their consultation fee. The German combine will receive no bonuses or royalties nor will it be entitled to any relaxation in taxation rules.

## Production Problems

It is intended that production shall begin even before the plant installation is completed. The plant will have an initial capacity of 500 thousand tons a year but within three years of its being fully commissioned, it will be expanded to double its capacity. This expansion will cost nearly 50 per cent of the total investment. It has been finally decided that a single million-ton plant is the most economic unit, although until recently the Government was known to favour two half-million ton plants. Costs of production are expected to compare favourably with those of any other Indian plant.

No site has yet been chosen although a team of German experts have inspected several, including Durgapur in West Bengal, Bilhai in Madhya Bharat, Roukilla in Orissa and Sindri in Bihar. A final recommendation will be made shortly, bearing in mind the availability of iron ore and raw materials, labour conditions and transport facilities.

The new plant forms part of an integrated plan for steel production under which India's three big plants will complement each other. It will produce largely plates and "flat" products to meet the needs of the growing automotive, shipbuilding and rolling stock industries. The plant will produce only finished goods and will not supply pig iron to other industries. It will be among the most modern steel plants in the world and, in view of India's ample resources of high-grade ore, may well become the world's cheapest producer of quality steel. India's present steel output is about 1·07 million tons, as against an annual demand ot about 2·5 million tons. This means that the whole production of the new plant can undoubtedly be consumed within the country.

### Imports from United States

India's immediate requirements of imported steel are likely to be met through an operational agreement entered into on January 5 between the Governments of India and the United States. Under this agreement, 200 thousand tons of steel will be made available to India during the period July 1953 to June 1954, as American assistance under the Technical Co-operation Program. It is proposed to import the following types of steel: black plain, galvanized plain and galvanized corrugated sheets, 80,000 tons; plates, 50,000 tons; rails, 50,000 tons; sleeper bars, 20,000 tons.

The steel acquired will be used by the Indian Government for development projects in agriculture, industry and the railways and in river valley schemes. The United States contribution for this project, some $25·5 million, will be used to buy steel outside India through an appropriate United States Government agency. A rupee expenditure of 15 million will be used by the Ministry of Commerce and Industry for handling and distribution. ●

## trade commissioners on tour

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions in this country and to renew their contacts with businessmen here. Details of their itineraries appear regularly under this heading as a service to exporters and importers who would like to discuss trading problems with them.

W. D. WALLACE, Commercial Secretary in Djakarta, Indonesia, begins his Canadian tour in Ottawa on March 3rd or 4th. His itinerary is:

Ottawa: March 3 or 4-10
Montreal: March 11-19 (incl.)
Windsor: March 22
Sarnia: March 23
Kincardine: March 24
Hamilton-Brantford: March 25
St. Catharines-Welland: March 26
Toronto: March 29-April 2
Brockville: April 5
Ottawa: April 6

Businessmen in the various centres may get in touch with these officers through the following organizations:

*Board of Trade*—Brantford, Montreal.
*Chamber of Commerce*—Brockville, Hamilton, Kincardine, St. Catharines, Sarnia, Welland, Windsor.
*Canadian Manufacturers Association*—Toronto.
*Department of Trade and Commerce*—Ottawa.

# trade and tariff regulations

## Colombia

CERTAIN IMPORT PROHIBITIONS ABOLISHED—Effective February 19, 1954, the Colombian Government has abolished certain prohibitions on imports by Decree No. 513. These prohibitions, introduced in March 1951, affected a wide range of semi-essential and luxury goods and those goods similar to Colombian products including foodstuffs, beverages, leather goods, certain wood and paper manufactures, some textiles and clothing articles, and toys.

Goods which were previously prohibited are now permitted importation but only from countries having a trade agreement or maintaining an approximately even trade with Colombia. Canada is included among these countries.

A few goods, however, will not be permitted importation until customs duties have been adjusted, among which are inner tubes; certain rayon, woollen and cotton fabrics; silk, rayon and cotton hosiery; and aluminum kitchenware.

## New Zealand

IMPORT RESTRICTIONS ON SKI EQUIPMENT RELAXED—The New Zealand Department of Customs announced on January 29 that applications will be considered for licences to import ski equipment from dollar sources during 1954.

## Pakistan

IMPORT LICENCES EXCLUDE INSURANCE—In Public Notice No. 54 (53)/1 of December 26, 1953, the Chief Controller of Imports and Exports of Pakistan announced that, until further notice, import licences will be issued on a c. and f. basis instead of a c.i.f. basis. The goods covered by import licences, the notice explains, will therefore have to be insured with insurance companies registered in Pakistan.

## Philippines

EXCHANGE QUOTAS FOR FLOUR IMPORTS—On December 8, 1953, the Philippine Central Bank issued exchange quotas for imports of IWA wheat flour equivalent to 20 per cent of total allocations for the first half of 1954. The Central Bank has now released the remaining 80 per cent of IWA wheat flour allocations for the first six months of this year, to be used under the following conditions:

| *Period (1954)* | *Percentage of total allocation* | *Deadline for shipment* |
|---|---|---|
| Jan. 28 to Feb. 28 | 32 | March 31, 1954 |
| Mar. 1 to Mar. 31 | 16 | April 30, 1954 |
| Apr. 1 to Apr. 30 | 16 | May 31, 1954 |
| May 1 to May 30 | 16 | June 30, 1954 |
| | 80 | |

The relevant Bank memorandum also provides that where any one importer holds a quota of one thousand 50-lb. bags or less he may, at his discretion, use his foreign exchange quota in full on any one shipment.

Under the new resolution all quotas granted to flour associations are cancelled, but importers not holding quotas as individuals, or firms who opened letters of credit against flour association quotas, are allowed to open letters of credit for an amount equal to that used in the second half of last year, which amount shall be considered as their quota for the first six months of the current year. Unused or cancelled quotas will revert to the Central Bank. This arrangement should permit more regular delivery of wheat flour to the Philippine market—Manila, Jan. 30.

## Trinidad

IMPORT LICENSING ANNOUNCEMENT—The Controller of Imports and Exports, Trinidad, announced on February 8th that importers in that colony do not require licences to import the following items:

Onions
Potatoes
Split peas
Dried, smoked, pickled and salted fish
Canned fish
Meat
Powdered and canned milk
Cheese
Animal feeding stuffs
Newsprint
Kraft paper
Jute goods
Boric acid
Semi-manufactured copper
Semi-manufactured zinc
Semi-manufactured nickel

Tinplate, terneplate or black plate

Finished steel (excluding fabricated steel) as follows:

(*a*) heavy steel products including heavy rail, sleepers, etc., and heavy and medium plate

(*b*) light rolled products including bars, rods, hoops and strips

(*c*) steel sheets

(*d*) wire, plain or barbed, other than insulated wire

(*e*) wire rods

(*f*) tubes and pipes including fittings

(*g*) tires, wheels and axles

(*h*) steel forgings

(*i*) nails, screws, nuts and bolts

To qualify for entry without the production of an import licence, the goods must be wholly produced in the country from which they are exported, they must be accompanied by a certificate of origin, and payment must be made to the country of origin.

# West Germany *frees some dollar imports*

QUANTITATIVE RESTRICTIONS have been removed, effective February 17, from an extensive list of commodities imported into West Germany from Canada and from other dollar countries.

Licences are still required for the import of goods on the liberalized list but they will be granted freely. Some commodities on the free list, however, remain subject to special conditions, and importers of such goods must obtain a certificate from the competent authorities before concluding an import contract and applying for a licence. Goods in this category are indicated below by an asterisk.

The liberalization applies to goods for consumption in Germany. Re-export may only be permitted when payment is made in freely convertible currency, or when the goods have been further processed or manufactured in Western Germany. The list does not as yet apply to Berlin.

About 9 per cent of Canadian exports to Germany have been liberalized by this measure. Wheat and other grains remain restricted. Most of the goods freed are raw or semi-processed materials and industrial equipment for which licences have usually been granted in the past. Nevertheless, the measure is the first important step taken by Germany since the war towards the restoration of freer trade with the dollar area. The German Minister of Economics has indicated that further liberalization of dollar imports may become possible later, provided the present measure does not adversely affect the German economy.

Among the liberalized commodities the following appear to be of interest to Canadian exporters: whisky; raw tobacco*; pyrites for sulphur production*; raw hair and bristles; sausage casings, animal; balsam; lard and tallow for technical purposes*.

Asbestos, crude and fibres*; syenite; roasted iron pyrites containing less than ½ per cent of copper; lead, copper and zinc in ore*; ashes and residues containing aluminum, lead, copper and zinc*.

Amyl and butyl alcohol; antibiotics excluding penicillin, streptomycin and chloramphenicol; disinfectants, insecticides and pesticides; vinyl polymerisates; foils and films of cellulose acetate*.

Raw hides of cattle and calf skins*; round wood*; pit props; pulpwood of softwood*; planks and boards*; high quality sulphite wood pulp*; books and certain other printed matter.

Ferro-silicon*; copper matte and scrap*; nickel matte, crude nickel and scrap*; aluminum, lead and zinc scrap*.

Circular saw blades; various tools and machine tools for working metals and plastics; locks for safes; gasoline engines*; pumps*; refrigerators; farm implements and machinery*; parts of farm machinery; many types of industrial machinery*; parts for such machinery; typewriters and office machines*.

Electric generators and motors; accumulators; parts for washing machines; electric ignition apparatus excluding spark plugs; electric industrial ovens; electric switches and wiring devices; insulated electric wire.

Agricultural tractors*; road tractors; buses and other vehicles, excluding normal types of passenger automobiles or trucks; parts of automobile bodies; spectacles and spectacle lenses; scientific apparatus; gas, liquid and electricity meters; watches*.

A substantial number of products from the chemical, machinery, industrial equipment, business equipment and transportation group are thus on the free list. It is not believed, however, that Canadian exports to Germany of these items will greatly benefit from this liberalization.

Information as to individual goods on the German free list for dollar imports may be obtained from the International Trade Relations Branch of the Department.—B. A. MACDONALD, *Commercial Counsellor, Bonn.*

# foreign trade service abroad

* No Foreign Trade Officer at this post.
Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

| Territory | Officer | City Address | Mail and Cables, Office Telephone |
|---|---|---|---|
| **Argentina** | C. S. Bissett,<br>Commercial Counsellor<br>W. F. Hillhouse,<br>Agricultural Secretary | Canadian Embassy,<br>Bartolome Mitre 478,<br>BUENOS AIRES | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* 33-8237 |
| **Australia**<br>(Capital Territory, New South Wales, Queensland, Northern Territory)<br>Dependencies | C. M. Croft,<br>Commercial Counsellor for Canada<br>C. M. Forsyth-Smith,<br>Assistant Commercial Secretary | City Mutual Life Building,<br>60 Hunter Street,<br>SYDNEY | *Mail:*<br>P.O. Box 3952 G.P.O.<br>*Cable:* CANADIAN<br>*Tel.:* BW 9351 |
| Australia<br>(Victoria, South Australia, Western Australia, Tasmania) | R. W. Blake,<br>Commercial Secretary for Canada and Agricultural Secretary | 83 William Street,<br>MELBOURNE | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* MU 4716 |
| **Belgian Congo**<br>Angola, French Equatorial Africa | A. B. Brodie,<br>Canadian Government Trade Commissioner | Forescom Building,<br>LEOPOLDVILLE 1. | *Mail:*<br>Bôite Postale 373<br>*Cable:* CANADIAN<br>*Tel.:* 2706 |
| **Belgium**<br>Luxembourg | T. J. Monty,<br>Commercial Secretary<br>K. G. Ramsay,<br>Assistant Commercial Secretary | Canadian Embassy,<br>35 rue de la Science,<br>BRUSSELS | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* 11-33-88 |
| **Brazil** | C. J. Van Tighem,<br>Commercial Secretary<br>T. F. Harris,<br>Assistant Commercial Secretary | Canadian Embassy,<br>Edificio Metropole,<br>Av. Presidente Wilson 165,<br>RIO DE JANEIRO | *Mail:*<br>Caixa Postal 2164<br>*Cable:* CANADIAN<br>*Tel.:* 42-4140 |
| Brazil | M. P. Carson,<br>Vice Consul and Acting Trade Commissioner | Canadian Consulate,<br>Edificio Alois,<br>Rua 7 de Abril 252,<br>SAO PAULO | *Mail:*<br>Caixa Postal 6034<br>*Cable:* CANADIAN<br>*Tel.:* 36-6301 |
| ***Ceylon** | Office of the High Commissioner for Canada | 6 Gregory's Road,<br>Cinnamon Garden,<br>COLOMBO | *Mail:* P.O. Box 1006<br>*Cable:* DOMCAN<br>*Tel.:* 5876 |
| **Chile** | Commercial Secretary | Canadian Embassy,<br>6th Floor,<br>Av. General Bulnes, 129,<br>SANTIAGO | *Mail:* Casilla 771<br>*Cable:* CANADIAN<br>*Tel.:* 64189 |
| **Colombia**<br>Ecuador | W. J. Millyard,<br>Commercial Secretary<br>J. P. Lancaster,<br>Assistant Commercial Secretary | Canadian Embassy,<br>Avenida Jimenez No. 7-25,<br>Office 613,<br>BOGOTA | *Mail:* Apartado 1618<br>*Airmail:*<br>Apartado Aereo 3562<br>*Cable:* CANADIAN<br>*Tel.:* 12-251 |
| **Cuba** | G. A. Browne,<br>Commercial Secretary<br>W. R. Van,<br>Assistant Commercial Secretary | Canadian Embassy,<br>Edificio Motor Centre,<br>Calle Infanta 16,<br>HAVANA | *Mail:* Apartado 1945<br>*Cable:* CANADIAN<br>*Tel.:* UO-9457 |
| **Dominican Republic**<br>Haiti, Puerto Rico | R. E. Gravel,<br>Canadian Government Trade Commissioner | Edificio Copello 408,<br>Calle El Conde,<br>CIUDAD TRUJILLO | *Mail:* Apartado 451<br>*Cable:* CANADIAN<br>*Tel.:* 5318 |
| Dominican Republic<br>Haiti, Puerto Rico<br>Jamaica | E. M. Gosse,<br>Canadian Trade Commissioner (Fisheries) | | |

| Territory | Officer | City Address | Mail and Cables, Office Telephone |
|---|---|---|---|
| **Egypt**<br>Aden, Sudan, Cyprus, Ethiopia, Saudi Arabia | A. G. Kniewasser, Acting Canadian Government Trade Commissioner | Osiris Building,<br>Sharia Walda,<br>Kasr-el-Doubara,<br>CAIRO | *Mail:* P.O. Box 1770<br>*Cable:* CANADIAN<br>*Tel.:* 23110 |
| **France**<br>Algeria, French Morocco, French West Africa, Tunisia | B. C. Butler, Commercial Counsellor for Canada | 3 rue Scribe,<br>PARIS | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* OPEra 42-30 |
| | L. A. Campeau, Assistant Commercial Secretary | | |
| | J. H. Stone, Asssistant Commercial Secretary | | |
| **Germany**<br>Federal Republic | B. A. Macdonald, Commercial Counsellor | Canadian Embassy,<br>22 Zitelmannstrasse,<br>BONN | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* Bonn 21971 |
| | I. V. Macdonald, Assistant Commercial Secretary | | |
| Germany | Wm. Van Vliet, Agricultural Secretary | | |
| **Greece**<br>Israel, Turkey | H. W. Richardson, Commercial Secretary | Canadian Embassy,<br>31 Vassilissis Sophias Ave.,<br>ATHENS | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* 72-853 |
| **Guatemala**<br>Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone | J. C. Depocas, Canadian Government Trade Commissioner | 28, 5a Avenida Sud,<br>GUATEMALA CITY | *Mail:* P.O. Box 444<br>*Airmail:* P.O. Box 400<br>*Cable:* CANADIAN<br>*Tel.:* 5590 |
| | G. A. Cooper, Assistant Trade Commissioner | | |
| **Hong Kong**<br>China, Indo-China, Macao, Taiwan | T. R. G. Fletcher, Canadian Government Trade Commissioner | Hong Kong and Shanghai Banking Corporation Bldg.,<br>HONG KONG | *Mail:* P.O. Box 126<br>*Cable:* CANADIAN<br>*Tel.:* 28336 |
| | M. B. Blackwood, Assistant Trade Commissioner | | |
| **India** | Richard Grew, Commercial Counsellor | Office of the High Commissioner for Canada.<br>4 Aurangzeb Road,<br>NEW DELHI | *Mail:* P.O. Box 11<br>*Cable:* CANADIAN<br>*Tel.:* 40191 |
| India | D. M. Holton, Canadian Government Trade Commissioner | Gresham Assurance House,<br>Mint Road,<br>BOMBAY | *Mail:* P.O. Box 886<br>*Cable:* CANADIAN<br>*Tel.:* 20672 |
| | W. P. Birmingham, Assistant Trade Commissioner | | |
| **Indonesia** | W. D. Wallace, Commercial Secretary | Canadian Embassy,<br>Tanah Abang Timur 2,<br>DJAKARTA | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* Gambir 499 |
| **Ireland** | T. G. Major, Commercial Counsellor for Canada | 66 Upper O'Connell St.,<br>DUBLIN | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* 44251 |
| **Italy**<br>Libya, Malta, Yugoslavia | S. G. MacDonald, Commercial Counsellor | Canadian Embassy,<br>Via Saverio Mercadante 15,<br>ROME | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* 846-842 |
| | A. A. Caron, Assistant Commercial Secretary | | |
| Italy | C. F. Wilson, Agricultural Counsellor | | |
| Italy | M. S. Strong, Commercial Secretary (Fisheries) | | |

| Territory | Officer | City Address | Mail and Cables, Office Telephone |
|---|---|---|---|
| **Jamaica**<br>Bahamas, British Honduras | M. B. Palmer,<br>Canadian Government Trade Commissioner | Canadian Bank of Commerce Chambers,<br>Kingston | *Mail:* P.O. Box 225<br>*Cable:* Canadian<br>*Tel.:* 2858 |
| **Japan**<br>Korea | J. C. Britton,<br>Commercial Counsellor | Canadian Embassy,<br>Tokyo | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* 48-4116 |
|  | R. F. Renwick,<br>Assistant Commercial Secretary |  |  |
| Japan | Paul Sykes,<br>Canadian Government Trade Commissioner | 7th Floor, Crescent Bldg.,<br>72 Kyomachi, Ikutaku,<br>Kobe | *Mail:* P.O. Box 513<br>*Cable:* Canadian<br>*Tel.:* 48966 |
| **Lebanon**<br>Iraq, Jordan, Syria | G. F. G. Hughes<br>Canadian Government Trade Commissioner | Centre Urbain Emir Beshir,<br>Bâtiment A1,<br>Rue Emir Beshir, L'Azarieh,<br>Beirut | *Mail:*<br>Bôite Postale 2300<br>*Cable:* Canadian |
| **Mexico** | M. T. Stewart,<br>Commercial Counsellor | Canadian Embassy,<br>Edificio Internacional,<br>Paseo de la Reforma,<br>Mexico, D. F. | *Mail:*<br>Apartado 126-Bis<br>*Cable:* Canadian<br>*Tel.:* 36-27-90 |
|  | S. G. Tregaskes,<br>Assistant Commercial Secretary |  |  |
| **Netherlands** | V. L. Chapin,<br>Commercial Secretary | Canadian Embassy,<br>Sophialaan 1-A,<br>The Hague | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* 18-51-06 |
|  | W. G. Pybus,<br>Assistant Commercial Secretary |  |  |
| Netherlands<br>Belgium, Denmark, Luxembourg | C. J. Small<br>Acting Agricultural Secretary |  |  |
| **New Zealand**<br>Fiji, Western Samoa | L. S. Glass,<br>Commercial Counsellor | Office of the High Commissioner for Canada, Government Life Insurance Bldg.,<br>Wellington | *Mail:* P.O. Box 1660<br>*Cable:* Canadian<br>*Tel.:* 70-644 |
| **Norway**<br>Denmark, Greenland | J. L. Mutter,<br>Commercial Secretary | Canadian Legation,<br>Fridtjof Nansens Plass 5,<br>Oslo | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* 33-30-80 |
| **Pakistan**<br>Afghanistan, Iran | R. K. Thomson,<br>Commercial Secretary | Office of the High Commissioner for Canada,<br>Hotel Metropole, Victoria Rd.,<br>Karachi | *Mail:* P.O. Box 3703<br>*Cable:* Canadian<br>*Tel.:* 5826 |
| **Peru**<br>Bolivia | H. J. Horne,<br>Commercial Secretary | Canadian Embassy,<br>Edificio Boza, Carabaya 831,<br>Plaza San Martin,<br>Lima | *Mail:* Casilla 1212<br>*Cable:* Canadian<br>*Tel.:* 71150 |
| **Philippines** | F. H. Palmer,<br>Consul General and Trade Commissioner | Canadian Consulate General,<br>Ayala Building,<br>Juan Luna Street,<br>Manila | *Mail:* P.O. Box 1825<br>*Cable:* Canadian<br>*Tel.:* 3-33-35 |
|  | H. E. Lemieux,<br>Vice Consul and Assistant Trade Commissioner |  |  |
| **Portugal**<br>Azores, Madeira | L. M. Cosgrave,<br>Commercial Counsellor | Canadian Legation,<br>Avenida de Praia da Vitoria,<br>48—1°D.,<br>Lisbon | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* 53117 |
| **Singapore**<br>Brunei, Burma, Federation of Malaya, North Borneo, Sarawak, Thailand | D. S. Armstrong,<br>Canadian Government Trade Commissioner | Room D-5, Union Building,<br>Singapore | *Mail:* P.O. Box 845<br>*Cable:* Canadian<br>*Tel.:* 7739 |

| Territory | Officer | City Address | Mail and Cables, Office Telephone |
|---|---|---|---|
| **South Africa**<br>(Natal, Transvaal) Federation of Rhodesia and Nyasaland, Mozambique, Kenya, Tanganyika, Uganda, Zanzibar | K. F. Noble, Canadian Government Trade Commissioner<br>H. E. Campbell, Assistant Trade Commissioner | Mutual Building,<br>Harrison Street,<br>JOHANNESBURG | *Mail:* P.O. Box 715<br>*Cable:* CANTRACOM<br>*Tel.:* 33-2628 |
| South Africa<br>(Cape Province, Orange Free State), Southwest Africa, Mauritius, Madagascar | A. W. Evans, Canadian Government Trade Commissioner | Grand Parade Centre Bldg.,<br>Adderley Street,<br>CAPE TOWN | *Mail:* P.O. Box 683<br>*Cable:* CANTRACOM<br>*Tel.:* 2-5134/5 |
| **Spain**<br>Balearic Islands, Canary Islands, Gibraltar, Rio de Oro, Spanish Morocco, Tangier | E. H. Maguire, Commercial Secretary | Canadian Embassy,<br>Edifico España,<br>Avenida de Jose Antonio 88,<br>MADRID | *Mail:* Apartado 117<br>*Cable:* CANADIAN<br>*Tel.:* 22-28-10 |
| **Sweden**<br>Finland | F. W. Fraser, Commercial Counsellor | Canadian Legation,<br>Strandvagen, 7-C,<br>STOCKHOLM | *Mail:* P.O. Box 14042<br>*Cable:* CANADIAN<br>*Tel.:* 67-92-15 |
| **Switzerland**<br>Austria, Czechoslovakia, Hungary | Yves Lamontagne, Commercial Counsellor<br>W. R. Hickman, Assistant Commercial Secretary | Canadian Embassy,<br>Kirchenfeldstrasse 88,<br>BERNE | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* 4-63-81 |
| **Trinidad**<br>Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, French West Indies | P. V. McLane, Canadian Government Trade Commissioner<br>R. R. Parlour, Assistant Trade Commissioner | Colonial Building,<br>72 South Quay,<br>PORT-OF-SPAIN | *Mail:* P.O. Box 125<br>*Cable:* CANADIAN<br>*Tel.:* 34787 |
| **United Kingdom**<br>(South of England, East Anglia, Scotland), Iceland, British West Africa (Gambia, Gold Coast, Nigeria, Sierra Leone) | R. P. Bower, Commercial Counsellor<br>R. Campbell Smith, Commercial Secretary<br>T. M. Burns, Assistant Commercial Secretary | Office of the<br>High Commissioner for Canada,<br>Canada House,<br>Trafalgar Square,<br>LONDON, S.W.1 | *Mail:* (City Address)<br>*Cable:* SLEIGHING<br>*Tel.:* Whitehall 8701 |
| United Kingdom | D. A. B. Marshall, Commercial Secretary (Agricultural) | | |
| United Kingdom | G. H. Rochester, Commercial Secretary (Timber) | | *Cable:* TIMCOM |
| United Kingdom<br>(Midlands, North England, Wales) | M. J. Vechsler, Canadian Government Trade Commissioner | Martins Bank Building,<br>Water Street,<br>LIVERPOOL | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* Central 0625 |
| United Kingdom<br>(Northern Ireland) | T. G. Major, Canadian Government Trade Commissioner | 36 Victoria Square,<br>BELFAST | *Mail:* (City Address)<br>*Tel.:* 21867 |
| **United States**<br>Delaware, Maryland, Virginia, West Virginia | R. G. C. Smith, Commercial Counsellor<br>S. V. Allen, Commercial Counsellor | Canadian Embassy,<br>1746 Massachusetts Ave., N.W.<br>WASHINGTON, 6. D.C. | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* DEcatur 2-1011 |
| United States | Dr. W. C. Hopper, Agricultural Counsellor<br>W. L. Porteous, Assistant Agricultural Secretary | | |

| Territory | Officer | City Address | Mail and Cables, Office Telephone |
|---|---|---|---|
| United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda | Deputy Consul General and Trade Commissioner<br>C. R. Gallow, Consul and Trade Commissioner<br>C. E. Butterworth, Vice Consul and Assistant Trade Commissioner | Canadian Consulate General,<br>620 Fifth Ave.,<br>NEW YORK CITY 20 | *Mail:* (City Address)<br>*Cable:* CANTRACOM<br>*Tel.:* JUdson 6-2400 |
| United States | M. B. Bursey, Consul and Trade Commissioner (Fisheries) | Canadian Consulate General,<br>620 Fifth Ave.,<br>NEW YORK 20, N.Y. | *Mail:* (City Address)<br>*Cable:* CANTRACOM<br>*Tel:* JUdson 6-2400 |
| United States (Massachusetts, Main, Rhode Island, Vermont, New Hampshire) | D. H. Cheney, Trade Commissioner | Canadian Consulate General,<br>532 Little Building,<br>80 Boylston Street,<br>BOSTON 16 | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* HAncock 6-4320 |
| United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri) | R. V. N. Gordon, Trade Commissioner | Canadian Consulate General,<br>Chicago Daily News Bldg.,<br>400 West Madison Street,<br>CHICAGO 6 | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* STate 2-7312 |
| United States (Michigan, Ohio) | A. E. Bryan, Consul and Trade Commissioner<br>J. H. Bailey, Vice Consul and Assistant Trade Commissioner | Canadian Consulate,<br>1035 Penobscot Building,<br>DETROIT 26 | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* WOodward 5-2811 |
| *United States (City of Los Angeles, Southern California, Arizona) | Consul General | Canadian Consulate General,<br>510 West Sixth Street,<br>LOS ANGELES 14 | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* VAndike 2233 |
| United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida) | G. A. Newman, Consul and Trade Commissioner<br>C.O.R. Rousseau, Vice Consul and Assistant Trade Commissioner | Canadian Consulate,<br>215-217 International Trade Mart,<br>NEW ORLEANS 12 | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* RAymond 2136 |
| *United States (Northern California. Wyoming, Nevada, Utah, Colorado, New Mexico), Hawaii | Consul General | Canadian Consulate General,<br>3rd Floor, Kohl Building,<br>400 Montgomery Street,<br>SAN FRANCISCO 4 | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* SUtter 1-3039 |
| *United States (Oregon, Idaho, Washington, Montana), Alaska | Consul General | Canadian Consulate General,<br>The Tower Building<br>Seventh Avenue at Olive Way,<br>SEATTLE 1, Washington | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* MUtual 3515 |
| **Uruguay**<br>Paraguay | W. Gibson-Smith, Commercial Secretary | Canadian Embassy,<br>MONTEVIDEO | *Mail:*<br>Casilla Postal 852<br>*Cable:* CANADIAN |
| **Venezuela**<br>Netherlands Antilles | J. A. Stiles, Commercial Secretary<br>F. B. Clark, Assistant Commercial Secretary | Canadian Embassy,<br>Edificio Pan American,<br>Puente Urapal,<br>CARACAS | *Mail:* Apartado 3306<br>*Cable:* CANADIAN<br>*Tel.:* 55818 |
| Venezuela<br>Colombia | D. B. Laughton, Acting Agricultural Secretary | | |

*The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.*

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·03492.

# foreign exchange rates

| Country | Unit | Type of Exchange | Canadian dollar equiv. Feb. 19 | Notes (See below) |
|---|---|---|---|---|
| Argentina | Peso | Preferential buying | ·1288 | |
| | | Basic buying | ·1932 | |
| | | Preferential selling | ·1932 | (1) |
| | | Basic selling | ·1288 | |
| | | Free | ·06955 | |
| Austria | Schilling | | ·03716 | |
| Australia | Pound | | 2·1750 | |
| Belgium Luxembourg & Belgian Dependencies | Franc | | ·01938 | |
| Bolivia | Boliviano | Official | ·00509 | |
| British West Indies | Dollar | | ·5664 | (3) |
| | Pound | | 2·7187 | (4) |
| | Dollar | Brit. Honduras | ·6796 | |
| Brazil | Cruzeiro | Official selling | ·05134 | tax 8% |
| | | Effective buying | ·03407 | (2) |
| | | Coffee buying | ·04136 | (5) |
| Burma | Kyat | | ·2029 | |
| Ceylon | Rupee | | ·2039 | |
| Chile | Peso | Official | ·00878 | (1) |
| Colombia | Peso | Basic | ·3865 | |
| Costa Rica | Colon | Official | ·1721 | (6) |
| | | Controlled free | ·1455 | |
| Cuba | Peso | | ·9662 | tax 2% |
| Czechoslovakia | Koruna | | ·1342 | |
| Denmark | Krone | | ·1399 | |
| Dominican Republic | Peso | | ·9662 | |
| Ecuador | Sucre | Official | ·06442 | |
| | | Free | ·05563 | |
| Egypt | Pound | | 2·7746 | |
| Fiji | Pound | | 2·4493 | |
| Finland | Markka | | ·00420 | |
| France | Franc | | ·00276 | |
| French Africa | Franc | | ·00553 | |
| French Pacific | Franc | | ·01520 | |
| Germany | D Mark | | ·2301 | |
| Greece | Drachma | | ·000032 | |
| Guatemala | Quetzal | | ·9662 | |
| Haiti | Gourde | | ·1932 | |
| Honduras | Lempira | | ·4831 | |
| Hong Kong | Dollar | Free | ·1654 | *Feb. 12 |
| Iceland | Krona | Official | ·05933 | |
| | | Special buying | ·04568 | |
| | | Special selling | ·03680 | |
| India | Rupee | | ·2039 | |
| Indonesia | Rupiah | Basic | ·08476 | (7 |
| Iran | Rial | Official | ·02996 | |
| | | Certificate | ·01071 | |
| Iraq | Dinar | | 2·7055 | |

* Latest available quotation date.

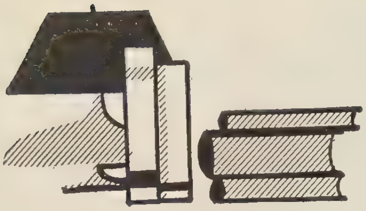
| Country | Unit | Type of Exchange | Canadian dollar equiv. Feb. 19 | Notes (See below) |
|---|---|---|---|---|
| Ireland | Pound | | 2·7187 | |
| Israel | Pound | Effective basic | ·9662 | |
| | | Premium | ·5368 | |
| Italy | Lira | | ·00155 | |
| Japan | Yen | | ·00268 | |
| Lebanon | Pound | Free | ·3027 | |
| Mexico | Peso | | ·1117 | |
| Netherlands | Guilder | | ·2553 | |
| Netherlands Antilles | Guilder | | ·5124 | |
| New Zealand | Pound | | 2·7187 | |
| Nicaragua | Cordoba | Effective buying | ·1464 | (8) |
| | | Official selling | ·1370 | |
| | | With Surcharge I | ·1200 | |
| | | With Surcharge II | ·09614 | |
| Norway | Krone | | ·1353 | |
| Pakistan | Rupee | | ·2920 | |
| Panama | Balboa | | ·9662 | |
| Paraguay | Guarani | Basic | ·06442 | (1) |
| | | With Surcharge I | ·04601 | |
| | | With Surcharge II | ·03220 | (9) |
| Peru | Sol | Certificate | ·04467 | |
| Philippines | Peso | | ·4831 | tax 17% (2) |
| Portugal | Escudo | | ·03372 | |
| El Salvador | Colon | | ·3865 | |
| Singapore & Malaya | Straits dollar | | ·3172 | |
| South Africa (Union of) | Pound | | 2·7187 | |
| Spain & Dependencies | Peseta | Basic buying | ·04412 | |
| | | Basic selling | ·08611 | |
| | | Basic commercial selling | ·05882 | (1) |
| | | Free | ·02481 | |
| Sweden | Krona | | ·1868 | |
| Switzerland | Franc | | ·2254 | |
| Syria | Pound | Free | ·2720 | *Jan. 15 |
| Thailand | Baht | Official | ·07730 | (1) |
| | | Free | ·04623 | *Dec. 30 |
| Turkey | Lira | | ·3451 | |
| United Kingdom | Pound | | 2·7187 | |
| United States | Dollar | | ·9662 | |
| Uruguay | Peso | Official | ·6361 | |
| | | Basic buying | ·5428 | |
| | | Special buying | ·4111 | (1) |
| | | Basic selling | ·5085 | |
| | | Special selling | ·3943 | |
| Venezuela | Bolivar | | ·2884 | (10) |
| Yugoslavia | Dinar | | ·00322 | |

* Latest available quotation date.

# notes

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Brazil: Effective import rate is official rate plus free certificate rate. Certificate rate varies according to commodity.
6. Costa Rica: Official rate applies to all Costa Rican exports.
7. Indonesia: Basic rate applies to all exports and essential imports. Rupiah value for other than essential imports is reduced by 33⅓ per cent, 100 per cent or 200 per cent depending on product.
8. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
9. Paraguay: Basic rate applies to most Paraguayan exports.
10. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11, 1952.



# businessman's bookshelf

### Boston Conference on Distribution

*Report of 25th Annual Conference. 104 pages. $4.00.*

EVER SINCE 1929, the Boston Conference on Distribution has annually brought together executives versed in distribution techniques. The sponsors describe the Conference as a "national forum and annual appraisal, by outstanding authorities, of the economic forces and trends affecting the business of distribution of goods and commodities". The theme for this particular conference was "Guideposts to the Future of Distribution".

The Canadian businessman who wishes to sell consumer goods in the United States will find that this reprint of the Conference speeches repays close study. Some of the speakers (all tops in their field) discussed the changes in the composition of the U.S. market, others analyzed the revolution in consumer tastes or in merchandising methods. The one Canadian speaker, D. W. Ambridge, president of Abitibi Power and Paper, gave a forthright paper on the tariff barriers between Canada and the U.S. and suggested a new approach to the problem. The chairman of the board of Harrods, London, contributed a useful report on the retailing picture in the United Kingdom.

*Order from: Retail Trade Board, Boston Chamber of Commerce, 80 Federal Street, Boston 10, Mass.*

### Commonwealth Trade 1952-53

*Commonwealth Economic Committee. 29 pages. 30 cents.*

THIS "MEMORANDUM prepared in the Intelligence Branch of the Commonwealth Economic Committee", as it is sub-titled, summarizes the trade of the self-governing members of the Commonwealth and of the colonial territories during 1952-53. Most of the information is conveyed in statistical tables, with brief accompanying comment on significant trends. Part I reviews the trade of the Commonwealth as a whole, and succeeding sections cover the self-governing members one by one; the colonial territories are treated as a unit. The final pages discuss Commonwealth markets by areas.

*Order from: United Kingdom Information Office, 275 Albert Street, Ottawa, Ontario.*

### McKay's Guide to the Far East and the Middle East

*By E. Cowles Gellhorn. 338 pages. $4.00.*

TRAVEL INFORMATION on Macao or Burma, Saudi Arabia or Jordan, is sometimes difficult to track down. But that diligent traveller, Mrs. Gellhorn, has visited each of these countries, plus 16 others in the Far or Middle East. She has set down her on-the-spot findings under standard headings—entry and exit requirements, customs, currency, climate, clothing, transportation, hotels, restaurants, sightseeing, etc.—and the result is a most useful guide for the business visitor or the tourist. The introductory chapter on travel tips covers documents needed, health regulations, packing problems, etc. Nine maps are included.

*Order from: David McKay Co., Inc., New York 17, N.Y.*

### World Trade Data

*Exporters' Digest, New York, 48 pages. 50 cents.*

THIS "HANDY REFERENCE BOOKLET for international traders", produced by the *Exporters' Digest*, contains a variety of information. Although the booklet was prepared for United States businessmen, a great deal of the material in it should prove useful to Canadians. It includes export sales terms, a directory of international air services, overseas import control regulations, suggestions for proper packing to cut down cargo losses, cautionary markings in Spanish, Portuguese and French and a table of conversion factors for weights and measures in various countries.

*Order from: Exporters' Digest, 170 Broadway, New York 38, N.Y.*

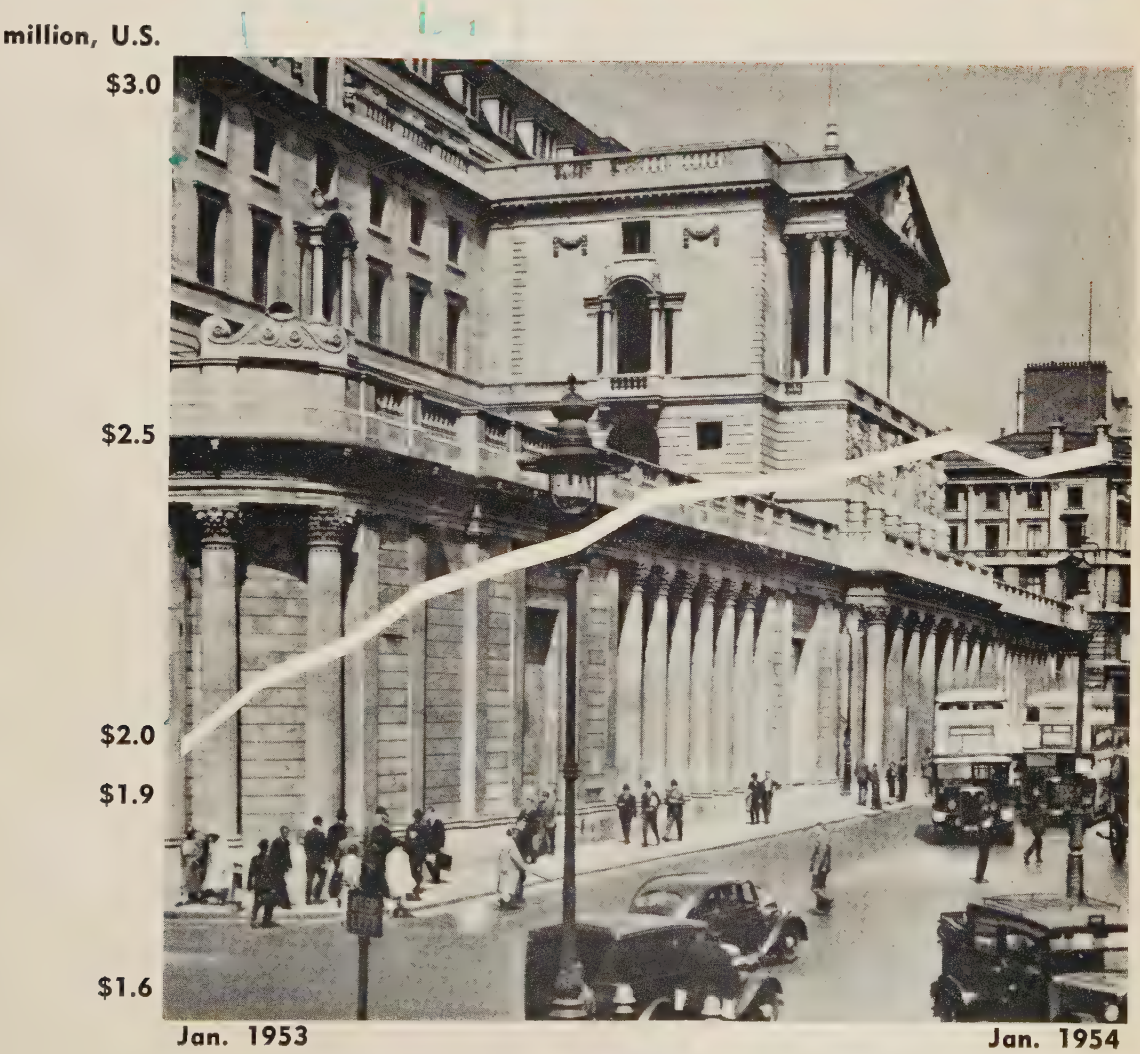
*the sign on the door*

# カナダ in Kobe

Kobe—shipping and banking centre of Canada's third-largest customer—Japan.
The door—in the Crescent Building, 72 Kyomachi, Ikutaku, Kobe, where Mr. Paul Sykes has opened a new office of the Trade Commissioner Service.
The sign on the door says CANADA.

MARCH 20, 1954

# foreign trade



## BUSINESS CONDITIONS in the COMMONWEALTH

2 The Sterling Area and Its Problems

Business Conditions in:

3 United Kingdom
6 Northern Ireland
8 Union of South Africa
10 Federation of Rhodesia and Nyasaland
11 British East Africa
12 British West Africa
13 Pakistan
15 India
17 Ceylon
19 Malaya
21 Hong Kong
24 Australia
26 New Zealand
28 Jamaica
30 British Honduras
31 Leeward and Windward Islands
32 British Guiana
33 Barbados
34 Trinidad
36 British Import Controls and Canadian Exports
39 Canada's Treaty Relations with the U.K.
40 Trade and Tariff Regulations
42 Foreign Exchange Rates
44 Businessman's Bookshelf

---

# foreign trade

Established in 1904

Published fortnightly by the Department of Trade and Commerce.
The Right Honourable C. D. HOWE, Minister,
WM. FREDERICK BULL, Deputy Minister.

OTTAWA, MARCH 20, 1954, Vol. 101, No. 4

Please forward all subscriptions and orders to:
The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad.
Single copies: 20 cents each.

Material appearing in this magazine may be freely reprinted, preferably giving credit to "Foreign Trade"

**cover** Placed against the background of the "Old Lady of Threadneedle Street", the Bank of England, our graph shows the rise in the sterling area's dollar reserves from U.S. $1,978 million in January 1953 to U.S. $2,543 million in January 1954.

# The Sterling Area and Its Problems

*Policies worked out some months ago to speed progress in the sterling area are bearing fruit. Gold and dollar reserves have risen; the "area of convertibility" has been widened—but certain problems still await solution.*

R. P. BOWER, *Commercial Counsellor, London.*

"FOREIGN TRADE'S" annual review of business conditions within the Commonwealth published in March 1953 quoted in its leading article from a speech given by Mr. R. A. Butler, Chancellor of the Exchequer, before the Commonwealth Correspondents Association. Mr. Butler said in part: "The success of the past twelve months has now given us the opportunity, which I believe should last for some months to come, perhaps for the greater part of this year, of working out and applying policies for long-term progress without being distracted by immediate crises."

A year later, we may ask what policies were worked out and applied and what were the results? The recent Sydney Conference of Commonwealth Finance Ministers provided an opportunity to review the position in some detail. In the official statement issued at its close, the objectives previously set were reaffirmed: "To strengthen the position of each country and of sterling as a currency, and to establish with other countries a wider and freer system of trade and finance in which the convertibility of sterling is an essential part."

### Increase in Gold and Dollar Reserves

The most obvious barometer of the sterling area's health is the condition of the gold and dollar reserves. People who continually save money generally avoid the bankruptcy court. The sterling area's reserves stood at $2,518 million at the end of 1953, compared with $1,846 million at the end of 1952. Any institution that can earn money at the rate of $75,500 an hour, 24 hours a day, for 365 days can safely assume that its fundamental policies are right. It also has some right to be gratified when this rate of accumulation is contrasted with an hourly loss of some $290 thousand for the six months ended March 31, 1952. The policies which contributed most to this turn in fortune were anti-inflationary in intent. They included increases in the bank rate to check consumption, decreases in taxes to provide production incentives, and so on. To be successful these policies had to be generally acceptable to all the members of the area. It would have been useless for one country to follow them if others were to dissipate the benefits by profligacy.

A second index of the success of the area's policies is the value of sterling in terms of the dollar. Here too the record has been good. By the end of 1953, the free market rate for the pound was closer to the official rate than at any time since the war. Had this been accompanied by an extension of controls and more rigid import restrictions, there would have been small ground for satisfaction. As it was, however, these signs of strength were paralleled by a number of sizable trade liberalizations by the United Kingdom, the dominant member of the area. The United Kingdom in 1953 accounted for 60 per cent of all the sterling area's gross overseas earnings. What the United Kingdom does therefore has the greatest effect on the area as a whole. Nevertheless, each member has its part to play and only a team effort will succeed.

### Convertibility Nearer?

If things are so much better, when will the pound be made convertible? The pound sterling is partially convertible now. As long as import of an article into the sterling area is permitted, the requisite foreign exchange will be provided to pay for it. What is desired is that a wider range of goods be admitted (particularly from dollar countries) and that the limits on the volume be removed. This is what is commonly meant by making the pound convertible. It also means the right of third countries to convert into dollars any pounds they may possess or acquire. When will such a happy state arise? This is a question of particular interest to Canadian exporters.

A number of steps were taken by the United Kingdom in 1953 which did "widen the area of convertibility" Cereals, softwood, pitwood and most metals may now be imported freely (although under safeguards) from all countries, including Canada, as a result of relaxations made that year. The speed at which this trend will proceed depends on many factors which cannot be accurately foretold.

The chances of a move in the right direction are infinitely better when the reserves are growing at the rate of $75,000 an hour than when they were falling by $290 thousand an hour. Inflation will have to be held. The attitude of the United States towards import is important. There are many other factors, but by persistence and efficiency it should be possible to make sterling as desirable a currency as the dollar. If an adequate supply of goods can be made available by the members of the area at prices the outside world is prepared to pay, convertibility will become a reality.

The outlook for 1954 is certainly no worse than it was twelve months ago. The tendency for internal consumption to increase in the United Kingdom at a time when exports remain constant is a danger signal. Competition from other countries, particularly Germany and Japan, may be expected to increase, and there is some concern about the possibility of reduced imports by the United States. Nevertheless, the foundation is firmer than it was a year ago and the problems ahead no more intricate.

The Chancellor of the Exchequer, referring to the Sydney Conference in the House of Commons on February 4th, said: "We shall have to increase our earnings and keep our production up. Only along the path of expansion and development can this island of 50 million people, which can feed only 30 million normally, keep our standard of living and our employment.

"This Conference had a considerable success in the field of moving toward a system of freer trade—a system of expansion, a system of closer unity and co-operation between us all."

# United Kingdom

*British business and industry in 1953 welcomed the removal of nearly all the remaining wartime restraints on trade, achieved an all-time high in production, and increased sales to dollar areas by 14 per cent over the year 1952—to pass, for the first time, the billion dollar mark.*

R. P. BOWER, *Commercial Counsellor, London.*

THE UNITED KINGDOM had a good year in 1953. The Coronation of Queen Elizabeth II, full of meaning to the whole Commonwealth, was a particular inspiration to the people of the United Kingdom. A conviction that a second Elizabethan era was in prospect contributed to the optimism which characterized the year as a whole, and spirits rose still further at bidding a cheerful farewell during the year to many wartime restraints.

By the end of 1953, virtually every restriction on the consumption of food had been removed. Tea, confectionery, sugar, and eggs were taken off the ration. The decision to free margarine, butter and cheddar cheese was announced late in 1953 to take effect in May 1954. Meat and bacon rationing will end in the first half of July 1954. Supplies of meat during 1953 improved so much that on a number of occasions butchers received permission to sell in excess of the ration. Visitors to the country could detect a marked improvement in hotel and restaurant meals and in the selection and quantity of merchandise in store windows.

## Removal of Controls

Equally welcome was the removal of numerous government controls. Private trade has now been reinstated in most items of food and in all raw materials. At the same time, many restrictions on consumption have been removed. A number of these were of considerable interest to Canada. For example, the import of softwood lumber was freed late in 1952 but it was not until November 1953 that the Government removed consumer licensing. General steel allocations ended in May. Cereals and animal feedingstuffs, rice, starch, linseed oil, coffee and bananas were handed back to private trade during the year. The freeing of the trade in metals allowed a number of additional materials to be dealt in on the London metal market, bringing an end to numerous vexatious restrictions and creating another source of foreign exchange earnings. These steps have all contributed to a more realistic price structure on the home market and this in turn has improved the competitiveness of British industry.

## Import Restrictions Modified

Many import restrictions were modified or removed in 1953. Cereals, softwood, pitwood, most metals and petroleum may now be imported freely from any source. More generous treatment has been accorded to OEEC countries. At present 75 per cent of trade with these countries is "free", compared with 58 per cent at the end of 1952. Residents of the United Kingdom wishing to spend holidays on the Continent had their foreign exchange allowances increased from $110 a year to $137. Small as many of these gestures appear in isolation, together they represent considerable progress when viewed against the background of rigid control that has persisted since 1939.

Ever since the end of the war the problem has been to build up the gold and dollar reserves to the point where they will be large enough to cover safely the foreign

*These British coal miners are taking time out for a mid-morning snack. Despite their efforts and those of their buddies, U.K. coal production in 1953 failed to exceed the previous year's output for the first time since the mines were nationalized.*

*—Photo by U.K. Information Office.*

exchange requirements of the area. At the beginning of 1952, they stood at $1,846 million; by December 31, they were $2,518 million. The fact that reserves could be built up at a time when restrictions against dollar imports were being relaxed proved two things:

- The general strength of the area during the period.
- That freedom to import from dollar sources does not necessarily threaten the reserves.

The first point was further underlined in 1953 by the strength of "free" sterling. At the end of the year, the spread between the free and official rates had practically disappeared. Not only did sterling stand high in world markets, but gold and dollars were being offered for it from a number of quarters.

### Convertibility of Sterling

Creditable though this achievement was, the reserves are still not considered high enough to allow any bold move toward complete convertibility. No figure has ever been given as the target which should be reached before such an attempt could be made, but there is no doubt that if a figure were established, it would be well above the current levels. The sterling area, with gold and dollar reserves of about $2½ billion, does a trade worth nearly $38 billion a year. Canada in 1952 had monetary reserves of $1·8 billion and did a trade of $8 billion. If the sterling area ratio of trade to monetary reserves were the same as Canada's, the reserve should be about $9 billion. If they were the same as the United States, the figure should be $34 billion.

The increase of the reserves in the face of freer dollar imports suggests that the disparity between the price levels of the sterling and dollar areas is not as great as it used to be. In the earlier postwar days, one reason for hesitating to remove restrictions against dollar goods was the fear that this would precipitate a flood of imports because dollar prices were lower than soft currency prices in so many fields at that time. As price levels between the two areas come together, the danger of a flood of dollar imports recedes. This makes the liberalization of imports less risky and hence more likely to be undertaken. If the rate of progress in 1954 compares with that of 1953, some further extension of the "area of convertibility" should occur.

### Production Achieves Record

The index of United Kingdom production for November stood at 131 (1948=100), the highest ever recorded. This compares with 123 in November 1952 The improvement stemmed from the elimination o certain raw material shortages, the relaxation of impor restrictions in a number of overseas markets and— what was perhaps more fundamental—taxation relief which provided greater production incentives.

Coal production was disappointing. Provisional figure for 1953 showed 223·5 million tons compared with 224·7 for 1952. While a shortfall was expected largel because of the Coronation break and an extra week' holiday with pay for the miners, it was the first yea since nationalization that output failed to exceed tha of the previous year. No facet of United Kingdom production contributes more to overall output than an adequate fuel supply and this was a disquietin feature in the year's record.

Electricity generation has mounted steadily and, fo the first time since the war, power cuts did not hampe production. Output in November amounted to 6,00 million kilowatt hours—or three times the monthl average of 1938 and twice that of 1945.

Steel production, at 17·6 million tons, was the highes ever recorded and the annual rate in the last quarte was 18¼ million tons.

Cotton showed a healthy improvement from the depressed days of 1952; the monthly output of cotton fabric in October was 41·2 million linear yards, compared with 33·8 million a year earlier.

### Volume of Exports Rises

The value of exports in 1953, at £2,582 million, was the same as in the preceding year, but because prices were lower, the volume was higher. Sales to dollar areas passed the billion dollar mark for the first time and at £386 million showed a gain of 14 per cent over the year before.

The pattern of United Kingdom exports is changing. New commodities have come to the fore which hardly registered in prewar days when textiles, coal and iron and steel products predominated. The prewar value of aircraft exports was about $16·5 million a year. In 1953, the total was $192·5 million. Exports of petroleum products, which were not a factor before the war, were also close to $192 million in 1953. Other important postwar products included agricultural tractors ($110 million); combine harvesters ($9·6 million); nylon stockings and yarn ($15 million); and antibiotic drugs ($15 million).

The disappointing feature of the year's exports was that the volume did not keep pace with the rising production in the country. A greater volume of exports must be achieved if import restrictions are to be relaxed, and with German and Japanese competition increasing, it is disconcerting that a smaller percentage of United Kingdom output was exported in 1953 than in the year before.

### The Import Record

The value of imports into the United Kingdom in 1953, at $9,198 million, was 5 per cent less than in 1952, although the actual volume was about 5 per cent higher as a result of lower prices for most raw material imports. The United Kingdom has had an adverse balance on visible trade for almost a hundred years. In 1953 this amounted to $137·5 million per month, compared with $162 million per month in 1952. The monthly rate in 1951 was $302·5 million.

The principal suppliers to the United Kingdom in 1953 in order of importance and with totals in millions of dollars were:—

| | |
|---|---|
| Canada | $836 |
| Australia | $780·5 |
| United States | $698 |
| New Zealand | $465 |
| Kuwait | $356 |
| Denmark | $352 |

The United Kingdom has been straining for six years to increase sales to dollar markets. The two leading outlets in this category have been Canada and the United States, which in recent years have absorbed roughly equal quantities of United Kingdom goods. Canada's performance in 1952 was disappointing; sales fell to $360 million, compared with $421 million the year before. In 1953, however, the position improved and sales to Canada were valued at $430 million—a record high. Canada, the United States and South Africa all took about the same value of United Kingdom exports in 1953. The largest customer in 1953 (as in 1952) was Australia, which took goods to the value of $585 million.

### Purchases from Canada

United Kingdom purchases from Canada declined in 1953 to $836 million from the high level of $879 million recorded in 1952. Even so, Canada continued to be the largest single source of imports. Competition was generally keener in 1953 than in 1952, and even where import controls were relaxed, Canadian suppliers frequently found it necessary to share the market with others who matched them in price and delivery. An increasing number of Canadian firms found it impossible to sell even their Token Import entitlements in 1953 because of price. Lower prices for many raw materials (base metals, lumber, etc.) also contributed to a fall in the value of purchases from Canada even when volume was maintained. Details of the performance of specific Canadian products will be given in a subsequent report.

### Anglo-Canadian Trade Outlook

The year 1953 saw a relaxation in the controls affecting a number of raw material imports into the United Kingdom, but there was no change in the attitude toward more highly manufactured goods. A few were eligible for Token Import treatment, but manufactured commodities outside this scheme were largely excluded. The outlook for 1954 is that there will be further relaxations in controls over raw and intermediate materials and that Canada will gain. There is, unfortunately, virtually no chance of any significant concessions as far as manufactured goods from dollar countries are concerned. However fast "convertibility" proceeds, it is unlikely to affect such items in 1954.

The outlook for United Kingdom sales on the Canadian market is excellent. Competition from Japan and Germany will probably increase, but British prices are expected to be attractive and deliveries should be the best since war's end. A tendency for ocean freights to fall will also help the United Kingdom to quote competitively in Canada. United Kingdom suppliers are tendering on a number of important Canadian contracts and hopes for a successful year run high.

As in almost every field, the outlook depends more than anything else on the ability to hold inflationary pressures in check. If wages and prices rise, competitive advantages will be lost; if home demand rises, availabilities for export will be reduced. ●

# NORTHERN IRELAND

*The textile industry recovered during 1953 and increased its sales to overseas markets; the industrial expansion program gathered momentum, with many new plants established; aircraft manufacturing continued to expand, but the shipbuilding yards received fewer orders.*

T. G. MAJOR, *Trade Commissioner, Belfast.*

ALTHOUGH UNEMPLOYMENT continued to be a major problem during 1953, the figures for the end of the year were about 20 per cent lower than at the end of 1952. Three developments made this improvement possible—recovery in the textile industries, the establishment of new industries, and expansion in aircraft manufacturing. On the other hand, shipbuilding continued to be hampered by a shortage of steel plate and gross tonnage launched declined by about 18 per cent. Coronation year and the royal visit in July brought increased tourist traffic and stimulated business generally.

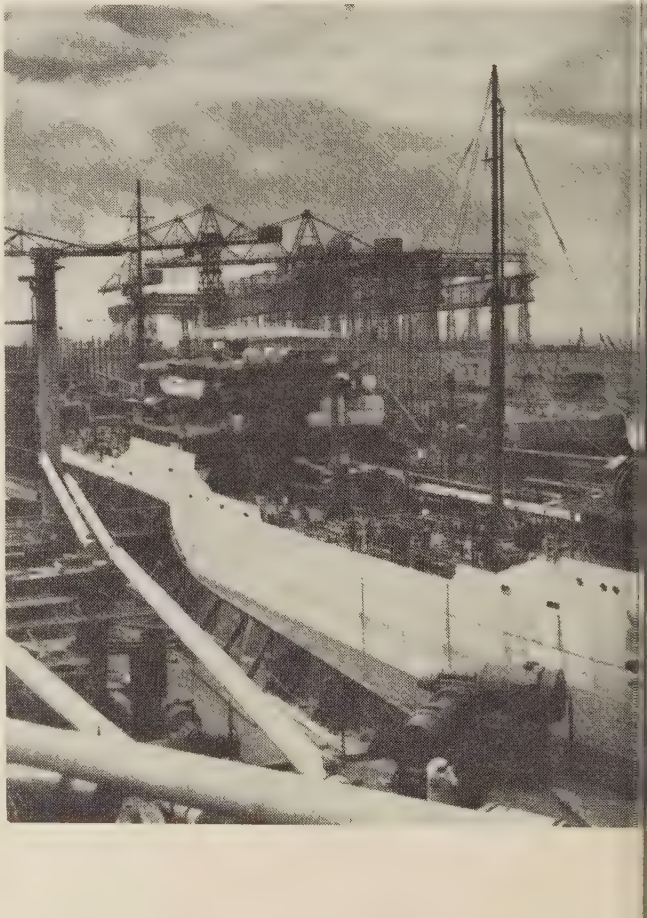
## Agricultural Exports

Gross agricultural output for 1953 is estimated at about £79½ million. Despite a too-dry growing season and a wet harvest, production of wheat, barley, dredge corn and potatoes increased. Value of agricultural produce and livestock shipped during the year included fat cattle, £14,700,000; sheep, £2,209,000; live pigs, £2,432,000; bacon and ham, £12,300,000; eggs, £10,800,000. Exports of table potatoes totalled 160 thousand tons valued at £1,900,000; seed potatoes, 80,000 tons valued at £1,166,000, and rye-grass valued at £1¼ million. No liquid milk was shipped to Great Britain during the year but milk products to the equivalent of 40 million gallons, valued at £4 million, were exported. There are now more than twenty firms engaged in the canning industry and they exported in 1953, 23 thousand tons of their products valued at £4½ million.

## Linen and Other Textiles

The brightest feature of the year in the linen industry was the revival of active buying in the United States, where sales of linen cloth increased from less than 17 million square yards in 1952 to over 23 million in 1953. Canadian purchases also increased by about 100 per cent, as a result of restrictions on imports from other sources. A relaxation of import controls in Australia in October brought an immediate increase in shipments from Northern Ireland. Sales to Latin American countries during the year totalled 2,755,000 square yards. The home market, which is estimated to absorb over 25 per cent of the production, showed a marked revival of interest during the second half of the year, particularly in printed linens. A special mission representing the Irish Linen Guild visited North America and Australia in the autumn and further export publicity is planned during the coming year as a result of an increase in the government grant from £60,000 to £100 thousand. The slump in the linen industry during 1952 was reflected in a decline of some 18 per cent in imports of flax and tow and a further drop in the acreage devoted to flax production.

Other branches of the textile industry producing ropes, cordage and twines, cotton yarn and thread, woollen goods, poplins, carpets and tapestries, laces, nylon and



*(Right) Vessel taking shape at the great Harland & Wolff shipbuilding yards at Queen's Island, Belfast. This world-famous firm celebrated its centenary this year.*
*—Tourist Information Centre, Belfast.*

other hosiery, and rayon yarns and piece goods experienced improved conditions during the year. Expansion undertaken by various firms included the installation by a Belfast firm of automatic looms, equally efficient for the weaving of wool, cotton, linen and synthetic fibres. A factory in Newry was enlarged by the addition of a garment-making section and another firm installed spinning equipment to produce jute twines and other types of cordage.

### Ships and Aircraft

The year marked the centenary of the Queen's Island shipbuilding yards but unfortunately activity declined from the level of the previous year. As a result of a continued shortage of steel plate and greater competition from European yards, output fell from 14 ships of a total of 131,781 tons in 1952 to ten, totalling 106,863 tons, in 1953—six tankers and four cargo ships. The outlook for new business at the turn of the year was not bright.

In contrast, the aircraft industry recorded a year of progress both in production and research. An agreement has been concluded for the production of the Bristol *Britannia* and *Canberra* bombers and *Comet* airliners are already being built. A further expansion of the industry, now employing 9,000 persons, is anticipated. In the research field three new prototypes, the *S.B.5, Seamew* and *Sherpa* have been produced. The first is an adjustable wing research aircraft, the second a light anti-submarine plane for carrier service, and the third an aircraft for the testing of the aeroisoclynic wing.

### General Industrial Development

The only legislation of economic importance during the year authorized the expenditure of not more than £700 thousand in any one year to cover government grants towards the cost of coal purchased by industrial undertakings. During 1953 eleven new firms began production and five launched expansion schemes. The Government revived the Northern Ireland Production Council, a wartime body which had not met since 1950. Acting in a purely advisory capacity, it has two sections, one concerned with the textile industry and the other with engineering and general industry. A firm of industrial consultants has been making a survey for the Ministry of Commerce to determine those industries best suited to conditions in Northern Ireland.

Under the industrial expansion program, new factories which started production during the year are making such things as electrical cables, furnishing fabrics, wiring and electrical assemblies for *Canberra* bombers, biscuits, confectionery, beverages, bullion embroidery, and women's garments. Of major importance was the recent announcement of the British Thompson Houston Company's plan to set up a factory at Larne, Co. Antrim, which will eventually provide work for 2,500 people. The plant will make large steam turbo-alternators for power stations.

### External Trade Declines

Northern Ireland forms with Great Britain a single customs area and customs entries are not required for goods passing between the two. This arrangement makes it impossible to obtain a complete picture of the external trade of the province. The Ministry of Commerce attempts, however, to estimate the annual value of imports and exports based on returns by the harbour authorities and the Board of Customs and Excise, and on data furnished by the Ministry of Agriculture and the various industries. Necessarily the issuance of these estimates is delayed and the latest available are those for 1952, which were made public in September 1953. These showed a total external trade calculated at £456,939,000, compared with £478,538,000 in 1951.

This decline, the first since 1945, was due mainly to the recession in the textile industries. Whether the recovery which took place during 1953 was great enough to reverse the downward trend is uncertain, although the increased activity in exports of agricultural produce and machinery may have contributed significantly to a higher level of trade. There probably was a greater volume of imports as a result of the greater industrial activity and higher prices for agricultural produce. There are no complete figures covering trade with Canada during 1953 but Northern Ireland imported increased supplies of Canadian lumber and feedstuffs and sold more linen in Canada.

### Milk Marketing in the U.K.

*Control over the marketing of fluid milk in the United Kingdom will end on April 1, 1954, but the Government will retain responsibility for prices and margins. On that date, marketing powers will be restored to the Milk Marketing Boards "but so long as an element of consumer subsidy continues, the Government will retain responsibility for approving both prices and distributive margins of milk sold for liquid consumption," stated the Minister of Food.*

*The National Farmers' Union have agreed to the revised methods of implementing price guarantees to milk producers; the details of the scheme will be made public at a later date. The Ministry of Food took over responsibility for the distribution of milk from the Milk Marketing Boards in 1939, and since then has been the sole trader in milk, buying it from the farms and, after liquid requirements have been met, allocating the remaining milk for processing.*

# UNION OF SOUTH AFRICA

*Increases in exports of wool, fruit, sugar, hides and skins, and certain base metals such as chrome and manganese helped the Union achieve a small favourable trade balance last year. Removal of discrimination against dollar goods at the beginning of 1954 should help Canadian exports.*

HOWARD E. CAMPBELL, *Assistant Trade Commissioner, Johannesburg.*

AT THE END OF 1953, the Council of the Johannesburg Chamber of Commerce summed up economic conditions in South Africa in this way: "Demand for and turnover in merchandise was in total well maintained during 1953, and gross profits in the commercial distribution trades were at approximately the same levels as in 1952. However, the continued shortage of . . . labour brought about a marked increase in business expenses, with the result that net profits for the year were lower. The indications are that these economic features of 1953 will continue into 1954."

Although the Council was referring particularly to the distributive trades (wholesale and retail), it has summed up fairly well general business conditions throughout South Africa during the past year.

The November returns of the Union's external trade reflect this levelling-off in business activity. For the first eleven months of 1953, imports and exports changed very little in comparison with the previous year. Unfortunately, no details of the composition of imports are given in these preliminary returns. They show, however, that private industry and commerce imported goods worth £357·3 million and that the Government imported £31·9 million worth of railway equipment, road machinery, armaments and other supplies.

## The Trade Pattern

The value of exports was maintained by improvements in wool, fruit, sugar, hides and skins, and base minerals such as chrome ore, manganese ore and coal. These improvements counterbalanced declines in processed and semi-processed gold, asbestos, copper, diamonds and canned vegetables.

It is interesting to note that wool exports rose from £49·5 million for the first eleven months of 1952 to £56·1 million for the first eleven months of 1953. They thus exceeded the total of £52·5 million for processed and semi-processed gold which, in recent years, has been the most valuable single commodity specified among the Union's merchandise exports.

Preliminary trade figures show that the Union exported goods and gold during 1953 to a value of £435 million and imported goods valued at £424 million, leaving a favourable trade balance of £11 million.

Canadian exports to South Africa remained about the same as in 1952 but individual commodities showed many changes. During the first nine months of the year, wheat and automobiles accounted for half of the $39,912,674 worth of goods shipped to this market. Lumber climbed from $2,613,812 for the first nine months of 1952 to $5,994,957 during the same period of 1953. Leather jumped to over $440 thousand in response to demand from South African shoe manufacturers; mining machinery sales increased by $100 thousand and polystyrene shipments rose to $127,528.

On the other hand, exports of cotton duck suffered from increased local competition (both South African and Rhodesian) as did kraft paper, rolling mill products and farm implements. Linseed oil shipments fell in the face of European and British competition and sardine sales dropped by one-third—to $218,428 during the first nine months of the year. Exports of semi-fabricated and primary forms of aluminum remained about the same, as did machinery and parts.

## Mining Industry Prospers

Despite rising costs, South Africa's mining industry enjoyed a good year. Production of gold expanded from 11,815,512 fine ounces for 1952 to 11,936,307 fine ounces for 1953, the highest annual figure since 1945. The increase of 120,795 fine ounces, however, was the result of the progress made during 1953 by the new Orange Free State mines.

Output of diamonds expanded steadily but exports of rough and uncut stones fell off slightly during the year. By October only £18,700,284 worth of diamonds had been exported, compared with £23,233,477 for the first ten months of 1952.

Chrome mines boosted production by 18 per cent to 782,162 tons but lack of railway cars held exports to 611,095 tons for the year. The average local price for chrome oxide was 57 shillings ($7.98) per ton, compared with an average export price of 89 shillings ($12.46).

Production of copper, manganese ore, iron ore and silver increased slightly during the year. Tin mines increased production by one-third and osmiridium miners raised their exports to just over 6,000 ounces

The important part the mining companies play in the commercial life of the country—apart from their primary function as producers—is evidenced in recent official figures published by the Union Department of Mines. Spending a total of £110·9 million on mine stores in 1952, their purchases increased by over £30 million on the previous year's disbursements. This represents the largest rise so far in an expenditure program which has moved steadily upward since 1944, when the total outlay was only a little over £33·5 million.

About 80·3 per cent of this total represents commodities of South African origin—an increase of approximately 3 per cent on the comparative figure for 1951. Foodstuffs, explosives, reduction plant and accessories, electric power, and materials for the construction of buildings, railways and roads, have been among the more important of these purchases. Gold-producing mines were the chief buyers and accounted for £90·4 million of the total outlay, an increase of almost £24·5 million on the value of stores which they purchased in 1951. Coal mines were next in importance.

### The Agricultural Picture

The year 1953 began rather bleakly for agriculture. Crops planted late in 1952 were stricken by drought and many farmers had to replant. Fortunately good rains fell in the early months of 1953. By harvest time the maize farmers had gathered a record 33,249,000 bags, weighing 200 lb. each. Kaffir corn growers also benefited from the rains and reaped a bumper crop of 2,486,000 bags, compared with 1,543,000 bags the year before.

If rain had not fallen at the right time, only 19 million bags of maize would have been harvested, leaving an estimated shortfall of 10 million bags which would have had to be imported. The world price for maize is about £3 per bag, and the rains thus saved South Africa £30 million in foreign exchange.

Wheat farmers did not fare as well as those growing other cereals. Where crops were not totally burned up by drought, late frosts did considerable damage. By December, estimates from the principal growing areas in the Orange Free State indicated that the total crop for 1953 will be less than a million bags. Last year 1·8 million bags were harvested in the Orange Free State and the crop was considered to be small for a normal year.

Although vegetables fared badly in the Union's fickle weather, citrus and deciduous fruit crops flourished and by the end of the first nine months of the year £14 million worth of fruit of all kinds had been exported. Britain has already agreed to take 70 per cent of the Union's exportable surplus of canned apricots, peaches and pears up to September 1954.

Sugar producers in Natal also enjoyed bumper crops and present indications are that 720 thousand tons of sugar will be manufactured in the Union in the 1953-54 season. Under the new International Sugar Agreement, South Africa has the right to export up to 200 thousand long tons of sugar to the United Kingdom and Canadian markets.

### Livestock Raising

Sheep farmers were as fortunate as the mealie farmers. They received a record return of £60,500,000 for their wool—£11,428,000 more than the previous year. By the end of the season 256,761,721 pounds of wool had been sold at an average price of 56.55d. per pound, compared with an average price of 48.14d. per pound the previous year.

In the six months to December 30, the Union's wool clip of 144 million pounds earned £37·1 million. The clip in a similar period of the previous year totalled 140 million pounds valued at £32·7 million. The wool is of unusually high quality with better than 80 per cent in premium merino grades; the overall average price per pound, 67 pence, is higher by 5 pence. A season's clip of 265 to 270 million pounds is now forecast with a return of £66 million—a figure which has been exceeded only once in the history of wool farming in this country.

Cattle ranchers were also more successful in 1953. After years of intermittent shortages, meat supplies gradually improved during 1953 to the point where 10,000 carcasses of beef were made available for export. This was the first time in twelve years that enough meat was produced locally to allow exports from the Union.

### Import Controls

From the point of view of Canadian businessmen, by far the most important development in South Africa occurred on October 16, when the Finance Minister announced that discrimination against dollar goods would be removed at the start of 1954. For years importers of consumer goods have only been allowed to use a small portion (less than 25 per cent) of their export quotas on dollar goods and industrialists have been forced to buy not less than half of their raw materials from soft currency areas. The elimination of discrimination on dollar imports places Canadian manufacturers on an equal footing with their competitors in this market.

Import controls are, of course, still in effect and the lower preliminary quotas announced for 1954 have made South African importers very price conscious. If Canadian manufacturers are to regain their share of the market, they must use every sales device at their command. ●

# FEDERATION OF RHODESIA AND NYASALAND

*The new federation can look forward to progress in business and development schemes in 1954; Canadian businessmen are advised to look into the market possibilities in anticipation of freer dollar imports. In 1953, uncertainty about union had a varied effect on business in the three countries.*

HOWARD E. CAMPBELL, *Assistant Trade Commissioner, Johannesburg.*

BUSINESS CONDITIONS in the Federation of Rhodesia and Nyasaland as a whole are difficult to review because for the first ten months of 1953 this area consisted of separate territories. While the issue of federation was debated, commerce in Nyasaland remained unaffected, continued to boom in Northern Rhodesia and dropped off appreciably in Southern Rhodesia.

### Business in Southern Rhodesia

The hiatus in Southern Rhodesian trade that resulted from uncertainty about federation is reflected in external trade statistics for the territory. Imports declined 15 per cent during the first ten months of the year to £64,791,468. More than half of the total decline resulted from reductions in purchases of metals, metal products, machinery and vehicles. There were also substantial decreases in imports of foodstuffs, timber, minerals, paper and other groups of commodities. Canadian exports to the territory fell by one-third.

While imports were declining, Southern Rhodesian exports and re-exports were increasing, with the result that the adverse balance of trade was only £8,737,632 for the first ten months of 1953 compared with £23,419,396 for the same period of 1952. Larger sales of chrome ore, clothing and coal helped to bring about the rise in exports which was achieved in spite of declines for tobacco, asbestos and gold—three of the Colony's traditional leading exports. The quantity of asbestos exported for the first three quarters of 1953 decreased by 10,605 tons and the value by £358,245, compared with the same period in 1952.

### Business in Northern Rhodesia

Boom conditions in Northern Rhodesia brought increases in both imports and exports. In the first ten months of 1953, exports rose slightly faster than imports and the favourable balance on Northern Rhodesia's external trade consequently rose from £34·9 million for January-October 1952, to £35·4 million for the same months of 1953.

Credit for this increase in Northern Rhodesia's favourable trade balance goes to increased exports of all forms of copper—£72·1 million compared with £63·5 million for the first ten months of 1952. Exports of cobalt alloy and metal, tobacco, hides and meat also improved but lead and zinc sales declined.

### Business in Nyasaland

Nyasaland's external trade figures for the first eleven months of 1953 show a decline of 14 per cent in imports—to £6,898,827—and an increase in exports from £5,882,914 to £6,729,008. Increases in the value of tobacco, cotton and cotton seed, maize, peanuts and tung oil accounted for the rise in total exports.

Farmers throughout Central Africa had a fairly good year. Tobacco growers in the three territories harvested good-sized crops but most of it was of low grade. Farmers in Southern Rhodesia reaped 6,103 bags of wheat during 1953, the largest crop since 1948. Native farmers reaped 110 thousand bags of shelled peanuts in 1953; European farmers in Northern and Southern Rhodesia boosted their production to 86,100 bags of unshelled nuts, compared with 53,000 bags in 1952.

By the end of the year deliveries of maize to the Grain Marketing Board of Southern Rhodesia were very heavy and there are good grounds for believing that the 1952-1953 crop will exceed the record harvest of 2,454,047 bags produced in 1951-1952. In Northern Rhodesia, 126,720 bags of maize were produced compared with 103 thousand bags in 1952 and Nyasaland had a surplus of 37,000 short tons a the end of the year.

### Trade with Canada

Canadian exports to the Federation of Rhodesia and Nyasaland fell off somewhat during the first nine months of the year. Despite relaxations in Southern Rhodesian and Northern Rhodesian import controls shipments of Canadian lumber to Central Africa dropped by 50 per cent in the nine months to $524,079 deliveries of mining machinery and parts fell from $193,381 to $47,172, and automobile parts sales dropped to less than half of what they were during the same period in 1952. A portion of these losses wa made up by increased exports of newsprint, milk powder, cranes, derricks, hoists and parts, semi-fabricated aluminum, and milk preparations, but unless there was an unprecedented jump in deliveries during the last quarter, Canadian sales to Central Africa will total a million dollars less than in 1952.

The year ahead holds great promise for Central Africa. The uncertainties that hampered commerce in 1953 have disappeared and development schemes for the federated territories can be pushed ahead. Businesses can be expanded and new ones started in the knowledge that there should now be a rapid increase in the European population, and a no less important rise in native African purchasing power.

As a member of the sterling area, the Federation of Rhodesia and Nyasaland will go on watching its expenditures of foreign exchange closely. If sterling reserves continue to improve, additional relaxations in import controls can be expected. Canadian manufacturers should explore the possibilities for selling their products in this expanding market in anticipation of the removal of the remaining restrictions on dollar imports.

# BRITISH EAST AFRICA

***Satisfactory agricultural and mineral production meant a good year in 1953 for the British East African economy which depends largely on these two industries. The three territories—Kenya, Uganda and Tanganyika—import from the dollar area only essential goods not available from sterling markets; if sterling reserves continue to increase, dollar import restrictions may be eased.***

HOWARD E. CAMPBELL, *Assistant Trade Commissioner, Johannesburg.*

ACTIVITY by the Mau Mau society in Kenya has gained world-wide publicity, but its significance to the economy of British East Africa should not be overestimated. It is true that Mau Mau attacks on loyal natives and white settlers have disrupted commerce in and around Nairobi, but the economy of British East Africa relies basically on the agricultural and mineral industries and both have had a good year.

Native African farmers in Uganda had exceptionally good crops. Their cotton fields produced a record 420 thousand bales, compared with 380 thousand bales in 1952. Their coffee bushes are expected to yield 3,000 tons of Arabica and 26,000 tons of Robusta during the 1953-1954 season. In addition, they reaped a bumper maize crop of 1,250,000 bags of 200 lb. each.

## Crop Report

At today's world prices, Uganda's cotton crop will earn close to £35 million worth of foreign exchange. It is too early to estimate what her coffee crop will yield but Bukoba Plantation coffee is currently selling for close to £435 a ton and Robusta grades at about £360 per ton, compared with £400 and £320 a year ago. It is predicted that in the next few years the territory will increase coffee production by about 50 per cent to about 60,000 tons a year.

Drought in certain sections of Kenya and Tanganyika took a heavy toll of crops planted there. Maize was particularly hard hit; the combined crop of the two territories amounted to only 300 thousand bags, about 25 per cent less than in 1952. Tea plantations in Kenya and Tanganyika were also affected by drought and it is doubtful whether exports will reach the average of previous years.

Wheat farmers in Kenya and Tanganyika were luckier than maize and tea growers. Their fields yielded 404,745 bags of 200 lb., compared with 391,274 bags in 1952.

## Pyrethrum Harvest Good

Pyrethrum is proving to be a very profitable crop for British East Africa. In Kenya, shortage of labour because of the Mau Mau emergency has affected harvesting but deliveries to the Pyrethrum Board are expected to be only slightly less than in 1952.

An effort is being made to supply the United States with pyrethrum liquid extract instead of the actual flowers compressed into bales. This should give a better return to growers but American buyers who have their own processing plants are resisting this move. Contract prices for 1953-1954 deliveries are:

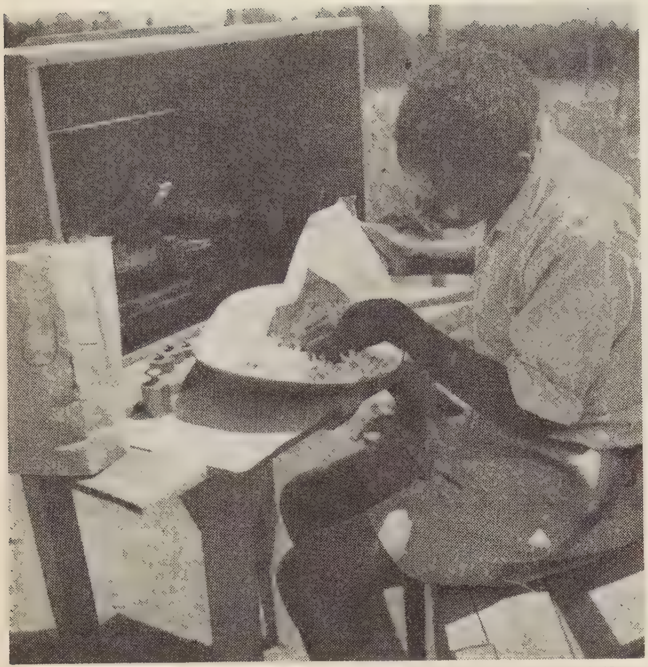
United States (flowers) f.o.b. $772.80 per ton=£276 sterling.

United States (extract) f.o.b. $9.20 per pound.

Non-dollar areas (flowers) f.o.b. £300 per ton.

Although the demand for pyrethrum still exceeds supply, buyers think present prices are too high.

Sisal exports from Tanganyika increased slightly during the year to 165 thousand tons. The price in London at the end of December for No. 1 grade fibre was £95 per ton c.i.f. United Kingdom.



—*U.K. Information Office.*

*Pyrethrum flowers are poured out of the picker's paper bag and carefully weighed. Note the scales placed in a box to cut off any possible interference from the wind.*

Towards the end of the year the Colonial Development Corporation agreed to provide Frobisher Limited of Canada with the further £4·5 million needed to bring the Kilembe copper mine into production in Uganda. The concentrator at the mine will be capable of handling 40,000 tons of ore a month, from which copper concentrate and cobalt pyrite will be produced. It is estimated that the annual production will total 18 million pounds of copper and 900 thousand pounds of cobalt. A smelter for processing the mine's concentrates into blister copper is being erected at Owen Falls. It will use electricity from the new £17 million hydro-electric installation being completed on the Nile near Lake Victoria.

Production of gold, lead concentrates, tin concentrates and tungsten in Tanganyika increased slightly during 1953, but diamond and sheet mica exports declined by almost one-third.

### Import-Export Picture

Like other members of the sterling area, Kenya, Uganda and Tanganyika are trying to hold their non-sterling imports to a minimum. As a result, more than half of British East African imports come from the United Kingdom. Dollar imports are restricted to essentials that cannot be obtained from soft currency areas. In 1953, the value of Canadian exports declined to $347,618, compared with $1,030,964 in 1952. Occasionally foodstuffs are allowed in from Canada, but parts for agricultural implements, machinery, automobiles and primary aluminum forms make up the bulk of Canadian exports to the three territories.

### Sales to Canada

Canadian imports from British East Africa in the first ten months of 1953 remained at approximately the same level as in 1952, with a total value of $7,283,751. Raw sugar, green coffee, black tea and sisal fibres comprise the bulk of Canadian purchases from this area.

Improvements in sterling reserves have made it possible for the authorities in British East Africa to relax controls on imports from Western Europe. If the sterling area reserves continue to increase, discrimination against dollar imports may be eased in the months ahead.

## BRITISH WEST AFRICA

THE FIRST CONSTITUTIONAL STEPS toward self-government were taken by Nigeria and the Gold Coast in 1952 and 1953 was a year of political consolidation. With the exception of cocoa, the main industry of the Gold Coast, 1953 was a satisfactory year for British West Africa as a whole. Cocoa production for the 1953-54 season is from 15 to 20 per cent below the original official estimate, which has now been reduced to 205 thousand tons. The recent rise in demand for cocoa has brought a sharp increase in the price and the net return for this season's crop may reach the level of last year. Nevertheless, the future stability of the industry is a source of some anxiety, both in the Gold Coast and Nigeria, where the crop estimate of 100 thousand tons is also considered to be approximately 15-20 per cent too high.

Canadian exports to the entire area increased substantially over 1952, mainly as the result of flour sales, and the total rose from $1,286,986 in 1952 to $2,955,585 in 1953. The Gold Coast imported Canadian goods valued at $1,749,123; however, $1,610,127 of this represented wheat flour. To a large degree these flour sales resulted from the diverting of orders by U.S. firms to Canadian sources of supply. Ninety per cent of Canada's exports to British West Africa went to the Gold Coast and Nigeria; the latter took Canadian exports to a value of $942,141.

The Volta River aluminum development scheme continues to be discussed by the Gold Coast Government but no significant steps have yet been taken. Meanwhile, an economic and industrial survey of Nigeria is being made by the International Bank for Reconstruction and Development.

—R. CAMPBELL SMITH
*Commercial Secretary, London.*

# PAKISTAN

*Rigid import control and an excellent harvest of food grains is helping Pakistan to emerge from the economic crisis of 1953, but trade restrictions are expected to continue for the present. Industrial growth is making strides with the help of the Colombo Plan and other international agencies.*

R. K. THOMSON, *Commercial Secretary, Karachi.*

PAKISTAN IS SLOWLY EMERGING from the severe economic crisis of the past 18 months. To review briefly, this recession was caused by an abrupt decline in demand and a sharp fall in the price of jute and cotton which make up more than 85 per cent of Pakistan's exports. A serious food shortage in West Pakistan, following two successive crop failures, added to these difficulties. To avoid famine, the Government was forced to use its dwindling reserves of foreign exchange to import food grains during 1952 and 1953.

Gift shipments of wheat by Canada and Australia totalling approximately 160 thousand tons and by the United States of 700 thousand tons prevented a serious crisis in 1953. This generous action stemmed the tide of bad luck which beset Pakistan.

By the end of 1952, when the situation looked bleak, imports from all sources were drastically curbed. Considerable care is now being exercised in budgeting for foreign exchange commitments and in framing trade and development policies to guard against a similar recession and to ensure a more balanced and less vulnerable economy.

## Food Grain Supply Improves

The food grain crisis appears to be over. The rice and coarse grains crop harvested in October was excellent; the wheat crop which is harvested in April appears to be very good. Weather conditions at the time of sowing were favourable and an increased acreage is reported under cultivation. A number of land reclamation and irrigation projects, designed to open new agricultural areas, are under way. The rice crop in both East and West Pakistan is reported to be good and an exportable surplus of this grain is expected.

## Jute Acreage Cut

Jute takes first place in the economy. For the 1952-53 jute crop year, foreign exchange earnings from jute were less than half those of the previous crop year. The Government has taken steps to control acreage under jute production to minimize surpluses and a decrease of 60 per cent in acreage is forecast for the present season. The yield for the current crop year is estimated at 2·5 million bales because of the decrease in acreage and unfavourable weather conditions.

Pakistan's jute industry is forging ahead. There are now 1,350 looms in operation producing 45,900 tons of jute goods per year in three mills. It is possible that by the end of 1954 some 6,250 looms will be operating. Local production of jute goods is now barely sufficient to meet Pakistan's requirements but export has begun in a small way.

## Demand for Cotton Slackens

Because world supply of cotton exceeds demand, sales of Pakistan cotton have slackened somewhat. The crop for the season 1953-54 is estimated at 1·8 million bales, with 1·33 million bales available for export, but the quality is understood to be poor because of heavy rains early in the season and faulty processing. Local cotton prices are somewhat higher than those in the United States. Some support is given to the local market through purchases by Japan and the United Kingdom.

An encouraging feature is the increased consumption of cotton by local textile mills. During the crop year 1951-52 the local mills consumed 212 thousand bales of Pakistan cotton and in 1953-54, it is expected that they will consume 475 thousand bales. It is hoped that Pakistan's expanding cotton textile industry will meet total domestic requirements within the next two or three years.

## Wool, Tea, Hides and Skins

Of Pakistan's other exports, only wool has shown an increase. In the year ended June 30, 1953, some 29·2 million pounds of wool were exported, compared with 18·5 million pounds in the previous year; earnings rose by Rs.26·6 million. This favourable development resulted from increased imports by the United States for the carpet and rug industry. The United Kingdom, Holland, and Germany also increased their imports of this commodity.

Tea prices are slightly higher but hides and skins are moving very slowly. Pakistan is faced with smaller export surpluses. Prices of her major export commodities are low and there is not much prospect of enhanced export revenues and hence increased foreign exchange earnings.

Industry has made progress during the year. The growth of the cotton textile and jute industry has been mentioned. During the latter part of 1953, two woollen mills were opened in West Pakistan. The much heralded Karnafuli paper mill in East Pakistan began operation on a limited scale in October 1953 and is expected to supply Pakistan's total requirements of writing, drawing and kraft paper.

### Industrial Growth Continues

The possibility of establishing a newsprint mill in East Pakistan is being studied and a paperboard mill and a strawboard mill are under construction. The development of an iron and steel industry, utilizing Pakistan's iron ore, is the subject of special surveys.

In the chemical field, plans are proceeding for a caustic soda-chlorine plant, a DDT plant and a sulphuric acid plant. The ammonium sulphate plant being provided by the United States is now under construction. Work will begin shortly on two cement plants provided under the Colombo Plan by Canada and New Zealand. Plans are also taking shape for the building of a pipeline from Sui in Baluchistan to Karachi with the object of using the large reserves of natural gas discovered last year.

Hydro-electric schemes are also progressing in the Punjab and the North West Frontier Province. Reconstruction of the Karnafuli hydro development in East Pakistan has begun and other projects are on the planning board.

Nearly all these enterprises are sponsored by the Government through the Pakistan Industrial Development Corporation and Pakistan Industrial Finance Corporation. In certain industrial spheres the Government has been associated with private enterprise (jute and cotton) and in others with foreign aid programs but it is not its intention to operate these entirely as nationalized industries. A share issue of the Karnafuli paper mill was recently placed on the market and was quickly over-subscribed.

### Balance of Payments

An examination of Pakistan's balance of payments shows that for the five years ended June 30, 1953, Pakistan's receipts of foreign exchange totalled Rs.8,355·6 million. In the same period payments abroad totalled Rs.9,464·3 million, creating an adverse balance of Rs.1,108·7 million (approximately $330 million). The last six months of 1952 showed a deficit of Rs.405·6 million (about $122 million). The picture altered in 1953 when the year ended with a surplus of Rs.293·9 million (about $78 million).

This favourable out-turn resulted from strict budgeting within the country and stringent measures which cut imports drastically. During 1953 Pakistan's imports were limited almost exclusively to essential capital goods, equipment and materials. Priority was given to imports for industrial and development projects. Practically no consumer goods were imported from any source and as a result, stocks of all manufactured goods are very low and prices have risen considerably despite some government price control.

### Import Control Policy

Though the import control policy for the first six months of 1954 is slightly more liberal, imports from the dollar area are restricted to such essentials as medicines, special machinery and equipment, engines, mechanized farm equipment, tires and tubes, trucks, and similar commodities. Seventy per cent of the foreign exchange available is devoted to machinery and equipment for development projects and new industry, and to raw materials for existing industry.

There is little scope for the introduction of new Canadian products although some opportunity may arise for the resumption of trade suspended during the past year.

Business and trade have been in the doldrums for the past 18 months. Some import-export houses have gone out of business and many have curtailed their operations. This has meant the dropping of agencies for products which cannot be imported at present and for which the future holds no great promise. Under these circumstances it is more difficult than ever to interest local importers and agents in Canadian products, particularly when it may not be possible to secure import licences.

### Foreign Trade

Pakistan's principal suppliers are the United Kingdom, Japan, the United States, Italy, and Germany. Trade with India has declined substantially; Japan, Germany, Italy and Czechoslovakia are increasing their sales to Pakistan. It is significant that the value of Pakistan's exports and imports to these four countries roughly balances. Canada's trade with Pakistan, on the other hand, has always been in serious imbalance. Pakistan's sales to Canada represented only slightly more than 10 per cent of the value of her purchases from Canada over a five-year period.

Though Canada's exports to Pakistan in 1953 reached a new high, examination of the statistics shows that these exports consisted almost entirely of wheat, railroad ties, aircraft, and other equipment supplied under the Colombo Plan.

### Colombo Plan

The effect of the Colombo Plan is being felt in Pakistan. Canadian wheat helped avert famine and economic disaster and the counterpart funds derived from its sale in Pakistan will help finance irrigation and hydro-electric projects. Three Canadian-built

*Beaver* aircraft are ready to help combat the annual locust invasion in the spring. Construction on the Canadian cement plant in the Thal area of the Punjab is progressing steadily. Canadian pilots, aerial photographers, geologists, soil engineers and others are working on the ground and in the air over West Pakistan in an exhaustive aerial survey of the geological and other resources of this vast area. The Warsak hydro-electric and irrigation project adjacent to the Khyber Pass, for which Canadian equipment is being provided, will mean new prosperity for the Pathan tribesmen of the North West Frontier Province. Canadian Douglas fir creosoted railway ties are being used to reconstruct Pakistan's railways. Canadian tractors, graders, and other equipment are being put to work in a live-stock development project in the Punjab.

Similar economic aid from Australia, New Zealand and the United Kingdom under the Colombo Plan, and from the United States and other agencies is providing telecommunications equipment, irrigation pumps, thermal electric plants, heavy earthmoving equipment, fertilizers, technical training schools, engineering services, water supply equipment, a fertilizer factory, etc.

The people of Pakistan feel confident that the development of the country's resources will provide a better balanced economy. They realize that many difficulties lie ahead but they take pride in their achievement in the six years since the establishment of the country and are building with determination for the future.

# INDIA

*Increased production of grains and good rainfall helped to improve India's food supply and cut down food imports in 1953. Industrial growth continued throughout the year, though textile-makers found the going difficult; unemployment appeared in some sectors.*

RICHARD GREW, *Commercial Counsellor, New Delhi.*

WITH ONE NOTABLE AND FAVOURABLE EXCEPTION, the economic situation in India in 1953 roughly followed the pattern of 1952.

This important exception is the food position which for the first time is definitely easy. There appear to be several reasons for this improvement. First, large stocks of imported wheat accumulated with the Central Government leading to the withdrawal of controls on the sale and movement of grain and flour; this had the effect of levelling supplies throughout the country. Second, there was a substantial, even though perhaps temporary, increase in the production of food grains, mainly because of the satisfactory rainfall all over India for the first time in several years, and, to a smaller extent, because of improved methods of cultivation, more irrigation and the greater use of artificial fertilizers.

### Trade in Wheat and Rice

One sign of the improvement in the food grains situation is that, since September, mills have been permitted to import and export wheat on a private basis. This represents India's attempt to recapture those Middle and Far Eastern markets lost to Australia during and after the war. Unfortunately, the private import of wheat does not affect trade with Canada, because there is still the question of the availability of dollars, which is under the control of the exchange authorities.

The only food grain still not freely available is rice. Even here, the position has greatly improved and if there is a favourable harvest next season (and the indications are promising) there will probably be no rice imported during 1954, unless the Government sees an opportunity to build up a central reserve at an attractive price.

### Industrial Growth Continues

Industrial production continued its upward trend throughout 1953. However, the rate of expansion was lower than in 1952, with the result that the per capita expansion went down. The fall in the per capita rate of expansion stemmed from declines of 10 per cent in the major steel, jute and sugar industries. Of the other large industries, cotton textiles and cement showed a moderate increase of about 5 per cent. Coal production was maintained at the previous year's level, but as the Five Year Plan called for increased coal production during 1953, the result was disappointing. Other industries which increased their output were woollen manufactures, paper, matches, salt, chemicals, and some sections of the engineering industries. However, others showed declines which offset these gains.

The depression in the jute industry continues although, at the year end, there was some indication of improvement. The country is gradually becoming self-sufficient in raw jute and is making attempts to improve the quality of it. During the year, export duties on burlap and sacking were progressively reduced in an effort to recapture export markets.

The textile industry also had a difficult year. Because of the plentiful supply of raw cotton, production was unusually high and large surpluses accumulated at the mills. Export duties were reduced in an attempt to encourage exports. There was a partial closure of mills in the Ahmedabad area towards the end of the year.

Unemployment increased somewhat during the year, especially in business and trade rather than in industry, and the problem received more than usual attention from the press and government spokesmen. In the middle of the year, the Planning Commission announced measures for the alleviation of unemployment.

### Five Year Plan Expanded

The national Five Year Plan is gradually becoming better known and now has general support. Although it is not possible to say whether the objectives will actually be attained by March 1956, it is obvious that the Government is doing everything possible to achieve this aim. Industrial targets set for the private sector have already been reached in some cases, and the hydro-electric projects are progressing more or less according to schedule. In the autumn of the year, the Planning Commission announced an expansion of the Five Year Plan by about $300 million, which would make additional funds available for the rehabilitation of refugees, for road-building, and for smaller power and irrigation schemes. These additional projects will help to counteract unemployment.

### Nationalization Furthered

During 1953, the tendency towards nationalization was given a further fillip by the formation of the Indian Airlines Corporation, which took over the internal commercial airlines. The reason given for this step was that the duplication of services and the high operating costs made it impossible for the airlines to operate on an economic basis.

Towards the middle of the year, the Government announced its policy on the establishment of an indigenous automobile industry. The foreign firms engaged in the assembly of vehicles and parts in India must wind up their operations early in 1956. Five firms have been selected to submit manufacturing programs to the authorities, although there is considerable doubt whether any one of them would be able to show a profit. If satisfactory progress is not made, the Government will have the choice of nationalization or of reversing its policy and permitting the industry to develop along more familiar lines.

The latest figures available indicate that Canadian exports to India will show a considerable drop compared with the previous year. For the first ten month of 1953, exports were valued at $36·0 million, compared with $50·2 million for the same period of th previous year, a decline of $13·8 million. The reduction of $12·2 million in wheat sales accounted fo most of this decline and, as explained above, was du mainly to the exceptionally large domestic production

### Trade with Canada

Canadian imports from India showed practically n change in value during the two periods. In the firs ten months of 1952, the value was $21·6 millio compared with $21·8 million in 1953. The principa exports to Canada are tea, jute goods, peanuts, rav cotton and cotton textiles, pepper, wool and woolle products. The most significant feature of this trad has been the reduction in the price of jute goods India's most important dollar-earner. In 1952, th import price averaged just under 16 cents per yard in 1953, the price dropped to approximately eigh cents per yard. An important part of this reductio resulted from the lowering or disappearance of expor duties.

Canada continues to have a favourable trade balanc with India, but it has been reduced from $28·6 millio in the first ten months of 1952 to $14·2 million durin the same period of 1953. It is probable that at the en of the year the favourable balance will be even smalle as India has imported much less Canadian wheat du ing the second half of the year. If wheat is excepted then Indian-Canadian trade is practically in balanc

### Trade Policy

As a member of the sterling area, India has, for th past several years, followed a policy of restrictin imports from dollar sources of supply. General speaking, imports have been confined to food grain raw materials for industry not available from sc currency sources, and machinery.

The import policy is reviewed every half-year, but has remained fairly constant vis-à-vis dollar countrie although the policy has, on occasion, differed from t sterling area in the liberalization of imports. Th was done to help check inflation and to prevent dome tic producers from taking undue advantage of a pr tected market.

On the export side, it has been found necessary reduce or wipe out entirely many export duties ins tuted when various raw materials were in short supp Now, however, a buyer's market is general and order to maintain exports, the Government has be forced to reduce these duties to enable Indian produ to compete in world markets.

It was fortunate for India that, at the time when h export earning power diminished considerably, she h good crops and a good monsoon which has grea lessened the need to use a large proportion of its foreign exchange for the purchase of food grains from abroad.

### Outlook for 1954

From the consumer's point of view, the outlook for 1954 appears fairly satisfactory. On the agricultural side, weather conditions have been good, especially in the south, where ample rains occurred for the first time in many years and this should ensure favourable yields from the crops that are harvested in March and April. On the whole, the northern plain has also had excellent growing conditions.

Thus, there is considerable evidence to indicate that prices may decline, particularly as this appears to be the trend in world commodity markets. However, there is always the danger that demand may not be able to absorb the additional anticipated supplies. Demand can be maintained if there is a high level of employment but unemployment is becoming a serious factor in the economy. It is hoped that the expansion of the Five Year Plan may assist in creating more jobs but it is too early to know whether these efforts will be successful.

# CEYLON

*Trade policy in 1953 was marked by stringent controls on imports, particularly from the dollar area, and these restrictions resulted in a smaller adverse trade balance than in 1952. Imports from Canada dropped because of these controls.*

J. J. HURLEY, *High Commissioner for Canada, Colombo.*

A SLIGHT IMPROVEMENT in foreign trade marked the year 1953 in Ceylon, but it resulted more from the restriction of imports than the expansion of exports. The Government's introduction of stringent controls on the import of non-essential goods and its sponsorship of a drive to improve agriculture were the highlights in the island's economic progress. In addition, Ceylon had the satisfaction of seeing the adverse trade balance of Rs.205 million in 1952 reduced to Rs.42 million in 1953. This represented a real achievement in the face of difficulty.

Imports during the year were valued at Rs.1,607·8 million, compared with Rs.1,702·4 million in 1952 and exports rose from Rs.1,502 million in 1952 to Rs.1,568 million in 1953. Thus, though imports decreased over the previous year, mainly because of the severe restrictions imposed, exports showed a slight but welcome increase. The economic position at the end of 1953 could hardly be described as entirely satisfactory, even though the unfavourable trade balance was much smaller.

### Three Leading Exports

Ceylon obtains her income mainly from the export of her three principal commodities—tea, rubber and coconut. There are, however, a few other items such as cocoa, citronella oil, plumbago, cardamoms and spices which supplement these. The country must depend on outside sources for substantial quantities of foodstuffs, agricultural machinery and equipment, textiles and various other goods required for the development of hydro-electric, irrigation and transportation projects. During the early part of the year, world prices for Ceylon's main exports, especially rubber, declined. Tea and coconut products, however, brought better prices towards the latter part of the year and demand improved. Although the values of these two commodities increased over the previous year, for coconut the quantity also was smaller. In fact, demand could not be met because of the decline in production. Had the production been up to demand, Ceylon might have eliminated the adverse trade balance entirely.

### Food Subsidies

The policy which the Government adopted to handle the principal foodstuffs—rice, flour and sugar—still continues; the subsidy on sugar has been removed but it remains on rice and flour. In 1952 rice was controlled and subsidized at 25 cents a measure (weighing about 2 lb.) but in July 1953 the Government decided to remove the subsidy and increase the price to 70 cents a measure. A considerable sum was involved in the subsidy and the impossibility of maintaining the assistance at such a high figure under prevailing conditions was realized rather late. There were various demonstrations and representations against this increase and the price was again brought down to 55 cents a measure in October last, after a short period of unrest and civil disturbances throughout the country. These subsidies, plus the free education policy of the Government, have been mentioned as the main causes for the present unsatisfactory economic conditions.

As a member of the sterling area, the country is determined to cut down its dollar imports to a minimum and a strict control is maintained over all imports from hard currency sources. Applications for imports involving dollars (even for essential items) are carefully scrutinized, first to find out whether the goods are available from the sterling area and second to determine whether they are *absolutely* essential.

### Trend of Trade

Ceylon's foreign trade for the year showed a decrease in purchases from Commonwealth countries of some Rs.31 million and from others of Rs.64 million. Increases in purchases over the corresponding figures for 1952 were recorded for the following countries: Australia, Rs.51 million; China, Rs.187 million (mainly rice); France, Rs.3 million; Germany, Rs.4 million; Netherlands, Rs.8 million; Italy, Rs.23 million and the Union of South Africa, Rs.3 million. Declines were recorded in goods from the United Kingdom, Rs.22 million; Canada, Rs.22 million; India, Rs.11 million; Malaya, Rs.15 million; Pakistan, Rs.5 million; Belgium, Rs.10 million; Burma, Rs.55 million; Japan, Rs.34 million; Thailand, Rs.13 million and the United States, Rs.97 million.

In comparison with the previous year, exports to the United Kingdom declined by Rs.31 million, to Pakistan by Rs.35 million and to Italy by Rs.31 million. Exports to Australia increased by Rs.41 million; to Canada, Rs.9 million; India, Rs.5 million; New Zealand, Rs.14 million; Union of South Africa, Rs.8 million; Germany, Rs.11 million; Netherlands, Rs.14 million; United States, Rs.38 million; other countri (including China) Rs.139 million. The main expo to China was rubber in exchange for rice. Exports Canada were well maintained at Rs.80 million.

As usual, food, drink and tobacco headed the list imports. Grain and flour imports cost the count Rs.521 million, compared with Rs.486 million t previous year. Of the other principal imports, t following decreases were recorded in comparison wi 1952 figures: other foodstuffs, Rs.26 million; textile Rs.43 million; motor vehicles, Rs.14 million; pap and cardboard, Rs.12 million and machinery, Rs million.

On the export side, despite large sales to China, onc again rubber dropped some Rs.62 million. Tea, desiccated coconut, and coconut oil brought better price than the year before and therefore showed increases Rs.93 million, Rs.13 million and Rs.6 million.

### Trade with Canada

Imports from Canada in 1953 fell off considerabl compared with 1952. In 1952, they totalle Rs.38,516,511; in 1953 the figure dwindled Rs.16,677,219. The main feature was the substanti drop in imports of flour, which fell from Rs.20,364,82 to Rs.5,714,920; tinned fish declined from Rs.134,83 to Rs.65,531, motor vehicles from Rs.1,951,193 Rs.430,358, and agricultural machinery fro Rs.441,654 to Rs.8,995. Three other items that completely disappeared in 1953 were linseed oil, dry ce batteries and beer. In 1952 Canada exported t

*Tea leaves in these baskets are being picked over and the coarser leaves thrown out. Tea is one of Ceylon's three main expor in the first eleven months of 1953, Canada bought almost 17 million pounds of Ceylonese black tea, valued at nearly $8 millio*

Ceylon Rs.50,990 worth of linseed oil, Rs.864,918 of dry cell batteries and Rs.26,312 worth of beer. The fall-off in motor vehicle sales was caused by a further increase in import duty on heavy cars and the control authorities refused to issue licences for the import of beer from dollar countries.

Ceylon's exports to Canada during the period under review improved over 1952. In 1952 the value of exports totalled Rs.70,762,517; in 1953 the figure increased to Rs.80,018,504, or nearly Rs.10 million. It will be seen therefore that Ceylon maintained its exports to Canada better than to most other countries. Tea exports, however, fell from Rs.50,827,957 to Rc.46,958,161 and rubber from Rs.12,591,333 to Rs.5,421,493. Desiccated coconut exports increased from Rs.3,718,735 to Rs.5,245,855 and coconut oil from Rs.3,195,974 to Rs.22,139,946. Canada's imports of coconut oil have risen considerably during the year and she now ranks third in the list of importers of this commodity.

The continuing need to conserve dollars will naturally affect the trade outlook; licences for imports from Canada will only be granted for essential commodities which cannot be obtained in adequate quantities or in a specified time from soft currency sources. An extensive list of competitive items from Canada will thus be denied entry to this market. The improvement in the rice supply means that, where Ceylon was once going round the world seeking supplies, she is now in a position to sell her imported rice to neighbouring countries. Towards the end of 1953 she sold some 60,000 tons of rice outside Ceylon. This, of course, will naturally affect adversely exports of flour to Ceylon from all sources. With the Government making every effort to reverse the present adverse trade balance, a period of austerity is forecast and imports may well be further restricted. Canada's exports of flour, newsprint, railway ties and a few other essential items will, however, be in demand but prospects for any increase in Canada's exports to Ceylon are none too good at the moment.

# MALAYA

*Declining world market prices for rubber and tin and smaller sales abroad brought an adverse trade balance for the first time since 1949. Trade with other countries of Southeast Asia, with the United Kingdom, and with the United States fell off sharply, and imports from Canada also declined.*

D. S. ARMSTRONG, *Trade Commissioner, Singapore.*

IN THE CHINESE LUNAR CALENDAR, 1953 was the year of the serpent—a bad year for business. The slow and rather aimless serpent is an apt symbol of business conditions in Malaya last year. There were no clearly defined trends; the economy meandered like a serpentine river without seeming to go anywhere. Business generally seemed to be still trying to adjust itself to the slump after the Korean boom.

Production in Malaya's basic industries, rubber and tin, dropped slightly. There was a decline of 6 per cent in money in circulation. Bank assets fell more than 12 per cent, liabilities about 7 per cent, and the volume of operations (i.e. cheques cleared plus debits to accounts) nearly 14 per cent. The official cost of living, a good measure of inflation, remained the same. But there was an unfavourable balance of trade of *M$326·9 million, the first such balance since 1949. Imports fell from M$3,873 million in 1952 to M$3,238 million in 1953, and similarly exports fell by M$1,000 million to M$2,911 million.

The natural rubber industry is the sheet anchor for the prosperity of most of Southeast Asia. In addition to employing a vast amount of labour and capital, it is the prime source of government revenue, money which is sorely needed to fight Communism. The world market price for crude rubber has been declining for three years and if the trend continues, it will probably mean unemployment or wage cuts or both for the industry. As it is, the Federation Government had a budget deficit of M$208 million in 1953 and anticipates one of M$222 million in 1954.

## The Rubber Industry

A measure of the importance of rubber to the economic well-being of Malaya is that it accounts for over 40 per cent of total exports. Not only did production fall in 1953 by 10,000 long tons but exports (including re-exports, mainly from Indonesia) dropped by 68,000 tons to 847,211 long tons. What was equally serious was a drop in price from 85 Malayan cents per lb. f.o.b. Singapore to 58 cents in December.

---

One Malayan dollar=·3173 cents Canadian.

This meant a drop in the value of Malayan rubber exports of approximately M$600 million.

### Tin Production and Exports

To a lesser degree, the story of rubber is true for tin—Malaya's number two industry. Tin production declined slightly in 1953 but exports fell by M$110 million from the 1952 export value of M$515 million. The fall in the world market price was the main cause of the drop in tin earnings.

In the long run, the natural rubber industry will undoubtedly recover. Many estates are being replanted with high-yielding trees which will produce three times as much as normal varieties, but it takes seven years from planting to tapping. A great deal of research into new uses for natural rubber has been undertaken and the most promising development is powdered rubber mixed with asphalt for roads. "Rubber roads" are said to have a longer life and to resist damage by extreme climatic conditions. In any event, statistics over the past 50 years show that world rubber consumption has doubled every ten years.

The same optimistic view cannot be taken of the future of Malaya's tin industry. Tin is a "wasting asset" and production can only be perpetuated as long as new tin-bearing areas can be discovered. During the past 5½ years of bandit warfare there has been no prospecting of any kind. Various estimates of the life expectancy of present mines have been made and the consensus is about 15 to 20 years.

### Dollar Earnings

Malaya, with her exports of tin and rubber to North America, is a large contributor to the sterling area's dollar pool. Last year the decline in earnings from exports was offset by a comparable decline in purchases from hard currency sources so that the net dollar earning (i.e. the value of exports to, minus the value of imports from, Canada and the United States) remained about the same as in 1952. This contribution to the pool is used to finance essential dollar imports into other sterling area countries and to build up the dollar and gold reserves of the area.

### Entrepôt Trade

Apart from the production of tin and rubber, the main source of income, particularly for Singapore, is the entrepôt trade with neighbouring islands and countries such as Indonesia, Borneo, Thailand, Burma and Indo-China. This trade depends on, first, the measure of prosperity of nearby customers, i.e., their ability to buy; second, on whether or not they are willing to trade with Singapore merchants rather than directly with the source of supply. The falling-off of Singapore's entrepôt trade during the last two years indicates that customers are either unable or unwilling (or bot to do business. The position of a middleman is precarious one and Singapore is no exception.

In 1953 Malaya's imports from Indonesia fell M$100 million, or 11 per cent, from the previous ye and exports to that country dropped M$200 millio or 50 per cent. This decline is reflected in the fallin off of the entrepôt trade with Southeast Asia as whole; imports fell from M$1,551·8 million M$1,408·4 million in 1953, and exports fro M$741·9 million to M$527·1 million last yea Unsettled political and economic conditions in t independent countries of Southeast Asia make unlikely that there will be any early improvement this trade.

### Foreign Trade

Of Malaya's ten most important trading partners, on one increased her imports into Malaya in 1953 ov the previous year and that was an insignificant ga On the other hand, five of Malaya's ten best custome increased their purchases last year compared with 195 However, these gains were offset by substantially low exports to Indonesia, the United Kingdom and th United States. Imports from the United Kingdom f from M$819·5 million to M$663·2 million in 195 exports to Britain plummetted from M$815·3 milli in 1952 to M$484·8 million. Similarly, imports fro the United States dropped by M$42·3 million M$140·5 million and exports by M$177·2 million M$479·6 million last year. Malayan exports Canada fell only slightly, from M$65·6 million M$61·8 million in 1953.

### Trade with Canada

Canada's share in Malaya's trade remains relativ small. For two years, 1951 and 1952, impo from Canada, at M$35·7 million, showed no chan However, last year the value dropped to M$12 million. The loss of the car market because of imp restrictions and slump in the local motor trade we the main reasons for the drop in values. In 195 2,100 cars and trucks were imported from Canada; 1953, only 165.

The largest single item in Malaya's import trade w Canada is wheat flour; last year, purchases from Ca ada rose from 5,350 long tons to nearly 9,000 lo tons. Satisfactory as this increase is, imports of Ca dian flour still constitute only 10 per cent of Malay total requirements. There is evidence, however, th the promotional efforts of Canadian millers and oth are producing results. Canadian hard spring wh flour is used by nearly all bakeries in Malaya to ble with soft wheat flour in varying proportions, from to 40 per cent.

Singapore and Malaya, as members of the sterling area, have placed restrictions on the import of goods from hard currency countries. However, local importers have access to the free foreign exchange market in Hong Kong and a fair quantity of purchases from Canada and the United States are made in this way. It is interesting that although total imports into Malaya from the dollar countries declined from M$218·5 million in 1952 to M$153·2 million last year, there was no change in the value of imports via Hong Kong—M$4 million from Canada and M$65 million from the United States. Obviously there was a steady, though small, demand for semi-luxury goods that are imported in this manner, coupled with a minimum of fluctuation in rates of exchange for the U.S. dollar on the Hong Kong market.

In the Chinese legend, 1954 is the year of the horse. Chinese merchants feel that the horse is a more encouraging animal for business but at present prices for Malaya's exports, the future does not look promising.

# HONG KONG

*Growing distinction between the Colony's China trade and its trade with other countries characterized 1953. China remained Hong Kong's principal trading partner, followed by Japan, the United Kingdom, Malaya and Thailand. Export values for the year fell by 5·7 per cent.*

T. R. G. FLETCHER, *Trade Commissioner, Hong Kong.*

HONG KONG'S TRADE in 1953 was valued at $6,606·4 million,* just 1·1 per cent lower than the comparable figure for 1952, $6,678·5 million. Commercial cargo tonnages—at 5,021·9 million long tons—also declined by 1 per cent compared with the previous year. For the twelve months, imports, valued at $3,872·7 million, were up by 2·5 per cent over 1952 but exports, at $2,733·7 million, were down 5·7 per cent.

Some pessimists regarded the 1953 record merely as a continuation of the recession from 1951's unprecedented and much higher (but thoroughly abnormal) trade levels. The assumption that this decline will continue is not necessarily sound. Certainly the 1953 level of trade was still much higher than in the postwar years 1946-49 or even before the war. Moreover, a new characteristic of the Colony's entrepôt trade became apparent: a distinction between Hong Kong's China trade and its trade with other markets.

## Character of '53 Trade

In fact, though the figures for gross trade were somewhat similar, there were some important differences between 1952 and 1953. First of all, the trends of trade were opposite. In direct contrast with 1952, business in 1953 began encouragingly but slumped at mid-year and finished disappointingly. For the first six months, monthly trade values averaged $616 million but for the last six only $485 million—a drop of 21 per cent, despite a slight recovery in the fourth quarter. Second, the most important issue in each year was different. In 1952 the major concern was the compelling need to adjust rapidly and thoroughly to the new trading relationship vis-à-vis China, in accordance with new premises, such as the U.S. embargo against China and the control of strategic materials. But by the beginning of 1953 this problem had largely been resolved. Though its influence in the shape of a sharp decline in business with the Colony's most important trading partner was obvious when compared with 1950 and 1951 and highly significant, a new cause for concern took the centre of the stage in 1953. The Colony was reminded with a vengeance that its prosperity also depends on the state of its entrepôt trade with other trading partners, according to their individual economic well-being. It became increasingly evident that Hong Kong's fortunes no longer vary directly with the trend of its commerce with China. Though the Mainland is probably still the bellwether of Hong Kong's prosperity, much of the entrepôt activity with other markets was divorced more and more from association with the China trade. In this, Hong Kong's postwar manufacturing industries played an important role.

Hong Kong's peculiarly sensitive trans-shipment trade economy has to be fluid in accordance with world trends, which are themselves divorced from immediate connection with China. It was this growing distinction between the Colony's trade with China and its trade with other countries which characterized 1953.

---

* All values in Hong Kong dollars.
One Hong Kong dollar=17 cents Canadian.

*Typical scene in Queen's Road, Hong Kong, in the Colony's business district. Note the many signs and the woman porter carrying her loads balanced on each shoulder.*

The fundamental trade rupture between East and West remained the dominating feature of the China trade. Expectations for improvement following the armistice in Korea were not borne out by events. Although business with China in 1953 increased slightly to $1,397·4 million, compared with $1,350·3 million in 1952 (primarily because of increased European demand for China produce) the level of trade was fractional by 1950 standards. China continued to deal bilaterally with selected countries through barter agreements and obviously preferred direct deliveries to Canton and/or Tientsin to importing via Hong Kong. Hong Kong's exports were confined to non-strategic materials and any easing of controls over strategic goods was minor and not significant. For 1953, China trade represented 21 per cent of the Colony's total, about the same as in 1952, and preserved China's position as Hong Kong's number one trading partner.

**Relations with United States**

Always associated today with the state of the Colony's trade with China is the level of Hong Kong's commerce with the United States. During 1953 the United States embargo on trade with China continued without change, but at the end of the year came some slight relaxations in United States export policy on shipments to Hong Kong for the Colony's own use or for approved trans-shipment. However, these did not co in time to prove significant for import values in 19 The Hong Kong Government continued to negoti with Washington for clearance of more local produ acceptable as non-Communist in origin, and the of such items was widened considerably. Unfortu ately, the added potential for the Colony's exports w almost negligible and Hong Kong's exports to United States actually dropped. Relevant imports p exports for the year grossed only $287·3 million, 4·4 per cent of total trade, compared with $334 million, or over 5 per cent, in 1952, and some $9 million in 1950. In consequence, the United Sta remained in seventh place among Hong Kong's trad partners, where once it was second.

**Entrepôt Trade with Asia**

In the Colony's entrepôt trade with Asia (exclusive China), gross values were down and there were number of changes in the comparative importance particular markets. Total trade in 1953 amounted $2,803·0 million, or 42·4 per cent of Hong Kon total trade, compared with $3,005·3 million (45 cent) in 1952. In this area, the influence of econor trends in individual countries shows up significant Among the important changes were decreased impo from Japan because of sterling area exchange restr tions on the re-export of goods of Japanese ori from Hong Kong to the "scheduled territories". (Th restrictions were expected to be lifted when a pend United Kingdom-Japan trade agreement was c cluded, so the outlook for the future is better.)

Hong Kong sold much less to both Malaya and In nesia (the largest single customer in 1952) because the reduced purchasing power of these two mark after the drop in world prices for rubber and tin. Indonesia this fall in prices provoked stringent imp controls. Pakistan bought less partly because economic strains during the year and partly becaus was bartering directly with Japan for goods it forme bought from or via the Colony. Thailand introdu strict import controls during the year and in con quence, Hong Kong exported less. The Colon exports to Taiwan went down because that coun was bartering with Japan, but sales to Korea r sharply with rehabilitation needs there. Exports Japan jumped partly as a result of the unbalance the existing sterling area trade agreement with Jap partly because of Japan's larger purchases of Ch produce via Hong Kong.

As part of this entrepôt trade, exports of the Colon own manufactures (mainly to Southeast Asia) r sharply in 1953, attaining a peak value of $635 million, or 23·2 per cent of all Hong Kong's expo compared with $486·2 million in 1952. The lo industries are bringing a new stability to Hong K but there are problems to be faced, particularly Japanese competition and Southeast Asia's reduced buying power.

### Principal Trading Partners

These fluctuations in trade with Southeast Asian countries affected many rankings in Hong Kong's hierarchy of trading partners. Japan remained second in importance, with total trade of $605·6 million (9 per cent), almost the same as in 1952; Malaya, with $514 million (7·7 per cent) compared with $581·4 million in 1952, dropped to fourth place in 1953 from third the year before; Thailand held on to fifth place by selling more to Hong Kong from a bountiful rice crop and buying less. Total trade was $496·5 million (7·5 per cent) compared with $447·8 million in 1952. Indonesia dropped from fourth place in 1952, when trade amounted to $555·8 million, to sixth place in 1953 with $416·6 million (6·3 per cent). Taiwan came ninth, down one rank, with 1953 trade value at $179·8 million (2·7 per cent) compared with $252·1 million the year before.

Hong Kong's trade with Western Europe also reflected the sensitivity to world trends of the Colony's entrepôt trade. An upsurge of West German imports featured 1953. Germany rose from ninth position as a trading partner in 1952, ($152·8 million), to eighth in 1953, with trade values at $234·6 million (3·5 per cent). Concurrently, trade with the United Kingdom increased, but less spectacularly, as Britain's own economic position strengthened. The chief evidence was increased buying of Hong Kong's manufactures and this contributed to higher total trade values of $593·7 million in 1953 (9 per cent) compared with $553·8 million in 1952. The United Kingdom regained third position as a trading partner, displacing Malaya and jumping Indonesia.

Trade between Canada and Hong Kong decreased slightly. Local statistics indicate that imports from Canada in 1953 were valued at $58·6 million compared with $78·5 million in 1952—a decrease of 25·3 per cent. Chief exports to the Colony in order of value were: wheat flour, drugs and chemicals, fountain pens, medicinal preparations, lumber, medicinal roots and herbs, automobiles, aluminum, whisky, and blackplate sheets. Exports from the Colony to Canada, on the other hand, were up by 14 per cent, from HK$19·5 million in 1952 to $22·3 million in 1953. The leading commodities were shelled walnuts, mung beans, wood oil, undressed fur skins, canvas footwear with rubber soles, embroidered goods, flashlights, firecrackers and Chinese foods. ●

# trade commissioners on tour

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions in this country and to renew their contacts with businessmen here. Details of their itineraries appear regularly under this heading as a service to exporters and importers who would like to discuss trading problems with them.

W. D. WALLACE, Commercial Secretary in Djakarta, Indonesia, began his Canadian tour in Ottawa on March 3rd. His itinerary is:

Windsor: March 22
Sarnia: March 23
Kincardine: March 24
Hamilton-Brantford: March 25
St. Catharines-Welland: March 26
Toronto: March 29-April 2
Brockville: April 5
Ottawa: April 6

M. R. M. DALE, Commercial Secretary in Santiago, Chile, begins his Canadian tour in Windsor on March 30; his itinerary follows. On completion of his tour, Mr. Dale will be posted to Cairo, Egypt.

Windsor: March 30
Sarnia: March 31
London: April 1
Kitchener: April 2-5
Brantford: April 6
Hamilton: April 7-8
St. Catharines: April 9
Montreal: April 19-May 1
Quebec: May 3 and 4
Ottawa: May 5-7

Businessmen in the various centres may get in touch with these officers through the following organizations:

*Board of Trade*—Brantford, Montreal.

*Chamber of Commerce*—Brockville, Hamilton, Kincardine, Kitchener, London, Quebec, St. Catharines, Sarnia, Welland, Windsor.

*Canadian Manufacturers Association*—Toronto.

*Department of Trade and Commerce*—Ottawa.

# AUSTRALIA

*Business tempo rose during 1953; production of wool, meat and meat products achieved a recor secondary industry continued to expand. Improvement in overseas monetary reserves permitte some relaxations in import controls on goods from the sterling area and Japan.*

C. M. FORSYTH-SMITH, *Assistant Trade Commissioner, Sydne*

THE YEAR 1953 was one of steady progress and stabilization of the Australian economy after the fairly serious recession of 1952. It began with a more optimistic tone in business circles generally and with buoyant conditions on the stock exchange. This optimism was justified by subsequent developments which brought a steady rise in business activity with a resultant increase in employment, production, and national income. The substantial amount of unemployment during the latter part of 1952 was gradually liquidated and the situation is now developing to the point where labour is in short supply and many industries are forced by labour shortages to curtail operations.

### Industrial Expansion Continues

Primary industries, largely because of excellent climatic conditions, had one of the best years ever. The 1953 production of wool reached an all-time record; production of wheat, though it did not attain the record figures of 1947-48, was 25 per cent greater than the average for the five years ended 1938-39; production of meat and meat products was the highest on record; production of butter and other dairy products was considerably larger than in 1952. Output of sugar and vine fruits also increased.

Secondary industries have continued to expand as a result of increased consumer demand, the protection afforded by the import licensing regulations, the relaxation of capital issues and credit controls and, during the latter part of 1953, as a result of the stimulus provided by the budget, which gave taxation relief to practically all sections of the community. The value of factory production in Australia, as in Canada, now exceeds that of primary industries and, though the Australian economy is still to a large extent dependent on agricultural production, this dependence is rapidly becoming less.

### Import Controls Relaxed

Australia's overseas monetary reserves have improved steadily since mid-1952, when the effects of the severe import controls, imposed in March of that year to conserve overseas funds, were felt. Between June 1952 and June 1953, overseas reserves increased from £A362 million to £A548 million and this improvement continued during the second half of 1953. As result import controls, as they affect the sterling ar and Japan, were gradually relaxed. This relaxatio was done cautiously, however, partly in an effort cause as little disruption as possible to local indust and partly to ensure that the present favourab balance-of-payments position will be maintained. Pre ent indications are that further relaxation of impo controls may be expected during 1954. As o example, in February the Government announced th import licences will be issued for restricted quantiti of canned salmon from Canada this year.

### Certain Exports Vulnerable

The Australian position is particularly vulnerab because 85 per cent of her exports consist of prima products and poor crops or a sudden drop in prices f her principal exports could mean a serious balance-o payments crisis. This was vividly demonstrated duri the latter part of 1951 and early 1952, when overse reserves became badly depleted and severe impo restrictions had to be imposed. Most of Australia foodstuffs are at present covered by bulk purcha agreements with the United Kingdom, with the resu tant price security that these provide. There are sign however, that the United Kingdom is losing interest this type of agreement and Australia can no longer lo forward with certainty to a continuation of this meth of handling food exports.

Wool is still the most vulnerable of Australia's expo and though prices over the past year have averag about 10 per cent higher than in 1952, there is assurance that this will continue. The United Stat which until 1951 was Australia's second best custom for wool, is now taking less interest in the Australi sales. Japan, at present the second largest wo customer, is encountering balance-of-payments diffic ties of her own which may force her to curtail pu chases. Any substantial reduction in wool purchas by the principal importing countries could seriou affect the overall wool price.

Australia's trade for the year ended June 30, 19 showed a favourable balance of £A358·2 millio with exports valued at £A872·3 million and impo valued at £A514·1 million. During the first half the present financial year, Australia had a favourab balance of £A125·9 million, compared with £A161·3 million during the same period in 1952. This was achieved despite the fact that imports totalled £A318·1 million compared with £252·5 million in 1952. In other words, Australia's trade (both import and export) has recently been running at considerably higher levels. During 1953 the United Kingdom was the principal market, followed by Japan, France, the United States and Italy, with Canada in 14th place. Principal sources of imports were the United Kingdom, the United States, Arabia, Indonesia and Canada.

### Trade with Canada

Trade between Canada and Australia continues to be limited by the strict application of import licensing to dollar goods and the limited variety of commodities which Australia has to offer on the Canadian market. For the calendar year 1953 Canadian exports to Australia were valued at $39,628,568 compared with $49,697,003 in 1952. Canadian imports from Australia during the first ten months of 1953 at $19·4 million were slightly higher than during the first ten months of 1952—$16·7 million, because declines in the value of imports of dried and canned fruits and canned meats were offset by increased values of wool shipments. Australia's adverse trade balance with Canada, which stood at $19·3 million in 1952, was therefore substantially reduced during 1953.

Australia's principal exports to Canada consist of wool, dried fruits, sugar, canned fruit, canned meats, wines and sausage casings. Most of these are sold purely on the basis of quality and price and, with Australia's rising production costs, it is probable that exports of dried fruits, canned fruits and canned meats will fall off further during 1954. There seems to be little scope for other Australian goods in the Canadian market, although such things as frozen rabbits and lobster tails are shipped in small quantities. Canada's main exports to Australia are automobile parts, lumber, newsprint, copper, aluminum, asbestos and tobacco. No great change in the pattern of demand for these items appears likely but there is little doubt that exports could be increased considerably if import licensing restrictions were relaxed.

### Inflation Kept in Check

The inflationary trend so evident in 1951 and 1952 was checked to some extent in 1953, largely because of increased productivity of workers and a real effort by management to keep costs down. The annual increase in the official retail price index for the twelve months ended September 1953 was 3·7 per cent, compared with 15·2 per cent for the previous twelve months and 23·6 per cent for the twelve months ended September 1951. Despite this improvement, high production costs are probably Australia's most serious economic problem and many export industries are finding themselves unable to compete. High production costs have also jeopardized the future of many industries catering to the domestic market and if it had not been for the protection afforded by import licensing, many Australian-produced goods would have been unable to compete with imported lines. The Arbitration Court recognized this problem of costs and in September decided to abolish the automatic quarterly wage increases based on the cost-of-living index. This system of automatic wage adjustments is a peculiar feature of the Australian economy and has done much to accelerate the inflationary spiral in the past few years. The abolition of the system should help in stabilizing the economy.

### Optimism about Future

Australian economic prospects in 1954 are bright and provided no unforeseen difficulties arise, the present buoyancy should continue throughout the year. Diversification of the economy is progressing but prosperity still very largely depends on agricultural production. An unfavourable season or a drop in wool prices could seriously affect the whole economy—and neither of these possibilities is too remote. Australia has enjoyed seven exceptionally good seasons in succession and many agriculturists believe that the run of luck must break soon. Wool prices, though not at the very high levels of 1950-51, are exceptionally good and it seems improbable that they will rise further or even remain at present levels.

Despite these shadows in the background, there is an air of optimism which was increased by the announcement in December that, after sixty years of exploration, oil had been struck in Western Australia. The extent of the oil resources has not been established but if substantial quantities become available, the economy will receive a real boost.

Uranium too is in the news. Two of Australia's mining experts recently announced that the uranium which was discovered at Wild Dog Valley in the Adelaide Hills, South Australia, has proved to be the richest form of uranium ore. One of the authorities stated that lumps of black pitchblende containing 70 per cent or more of uranium oxide had been picked up on the surface of the ground. Early in the year a camp will be established at Wild Dog Valley and shafts will be sunk in search of the lode. Because the pitchblende is so rich in uranium oxide, any refining treatment would probably not be nearly as difficult as that for the ore being obtained from the Radium Hill mine.

Australians feel that abundant natural resources and an increasing inflow of long-term investment capital should assure long-range prosperity, despite any temporary set-backs. ●

# NEW ZEALAND

*Strict import controls helped turn the adverse trade balance of 1952 into a favourable balance i 1953, but curtailed purchases from both the sterling and dollar areas. Cost of living continues t rise and government is conferring with industry and business on measures to keep inflation in check*

LESTER S. GLASS, *Commercial Counsellor, Wellington*

THE BUOYANT EXPORT MARKET for New Zealand's agricultural products—all-important in her export trade—made 1953 a prosperous year. Continous bad weather during the first six months meant that meat killings fell off considerably compared with other years, but during the last quarter conditions changed and exports were heavy. Wool prices continued firm and demand was excellent. Sales of dairy products, particularly dried milk, declined, largely because of the disappearance of the American market and growing production in the United Kingdom.

### Effect of Trade Policy

The effect of strict exchange restrictions imposed by New Zealand to conserve dollars and to turn her adverse overall balance of trade into a surplus quickly became apparent. By the end of the year, the deficit of £23·4 million for 1952 was turned into a surplus of £26·2 million, the result almost entirely of a drop in private imports from £200 million in 1952 to £170·4 million in 1953, and of a substantial increase in returns from exports.

This change was not only at the expense of trade with the dollar area. Imports from the sterling area decreased by £20 million to a total of £171·8 million, and from the dollar area by £8·8 million to a total of £17·9 million. Canada's share in 1952 was £7·3 million; in 1953 it fell off to £2·8 million. Exports in 1953 increased by £27 million to £243·3 million. However this stemmed entirely from improved trade with the sterling and OEEC countries; exports to Canada and the United States fell from £28·5 million to £24·2 million.

### Purchases from Canada

In 1953, Canadian exports to New Zealand dropped by more than 50 per cent compared with 1952. Canadian sales to that country have gone down since early 1952, when the policy of buying in soft currency countries whenever possible was first announced. As more and more goods become available from the United Kingdom and Western Europe, this decline continues—from $21,757 thousand in 1951 to $18,844 thousand in 1952 and to $7,475 thousand in 1953. Canadian imports from New Zealand in the first ten months of 1953 also dropped—to $8,078 thousand, compare with $13,751 thousand for the same period of 1952

### New Industries Encouraged

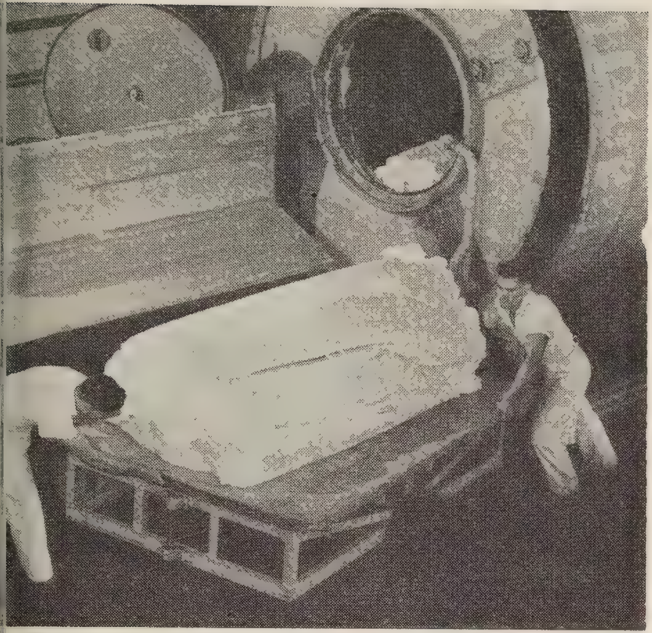
Although agriculture is still New Zealand's majo earner of foreign exchange, industrialization has mad considerable progress. The value of output from factories has increased from £129·1 million in 1939-4 to £397·7 million in 1951-52; gross farm income ros from £74·4 million to £209·8 million during th same period. Manufacturing in New Zealand is highl diversified and the strict application of import contr has encouraged many new industries. Some of the might be classified as uneconomic because Ne Zealand has few raw materials and must import the from distant sources. However, it is government polic to protect these industries from undue competition.

### Domestic Business Brisk

A decrease in imports of nearly one-third in twelv months might well have meant a slowup in domesti business and a shortage of consumer goods. This however, was not the case. As European countrie have returned to normal, a greater diversity of good has been offered at highly competitive prices and th New Zealand buyer has been able to use his exchang to greater advantage. Similarly, the productive capacity and ability of New Zealand manufacturing plants ha improved with modern machinery and equipment available from Europe and America. With greater capacity these plants are now in a position to manufactur locally, usually under licence, goods which formerl were bought abroad. It is reported that during 195 industry absorbed some 18,000 new workers, man of them skilled artisans from the United Kingdom an Europe.

### Costs Continue Rising

With the improvements in quality and range of merchandise offered, it is not surprising that the publi showed greater interest in buying. Retail sale increased steadily throughout 1953, aided undoubtedly by the Coronation and the Queen's visit. Th general wage increase just before Christmas also gav an impetus to buying.



*Fresh butter moves from the big churns in the background to the packing department. Exports of dairy products fell off slightly in '53 largely because of smaller U.S. demand and increased production in the United Kingdom.*

Beneath the present prosperity, there is an undercurrent of uncertainty over the future. Inflationary pressure continues and costs are rising persistently. The Consumers' Price Index (based on first quarter 1949=1,000) has increased from an average of 1,066 in 1950 to 1,333 in 1953; for the last quarter of 1953 it stood at 1,366. Under pressure of rising costs, most public services have been obliged to increase their charges. These increases have included postal rates, telephone charges, rail fares, freight rates, electricity and gas rates, and tram fares.

### Wages Go Up

The outcome was a general increase in the cost of living and, after applications made to the New Zealand Court of Arbitration, this tribunal ruled an effective increase of 10 per cent in wages throughout the country. The corollary soon became apparent—someone had to pay for this increase in manufacturing and merchandising costs and it was, of course, the buying public. The Government subsidizes certain basic foodstuffs such as bread, milk and butter, but it was not able to absorb the increased costs without increasing taxation. It chose to pass the increase on to the consumer in the form of higher prices and, at the same time, lowered the subsidy slightly.

The Prime Minister has indicated his intention of calling a government-sponsored conference of industry, commerce and other interested parties to study and advise on adequate steps to overcome the present inflation and to ensure future stability.

### Banking and Finance

Reflecting the 1953 prosperity, bank clearings were higher than at any time since the war; the weekly averages were over £43 million, compared with the previous peak of £42·7 million in 1951. At the same time, loans and discounts, though still high, fell from £169·8 million in 1952 to £136·8 million in 1953. Current deposits—which indicate to some extent the volume of business transactions—have tended to increase throughout the postwar period and reached the high point in 1953 of £220 million, an increase of £13 million over 1952. The net note circulation has increased gradually since the war; the weekly averages for 1953 were £53·4 million compared with £51 million in 1952.

It is significant that in the last three weeks of December the note issue increased to £58·6 million, £62·2 and £62 million, reflecting the additional take-home pay from the general wage increase (retroactive to September 15th) and increased spending.

### Other Economic Indicators

New Zealand now has many advocates of the prudent use of interest rates to curb inflation but beyond an increase of ¾ of one per cent on approved advances for urban residential or rural property purchasing, this device has not been used. There is therefore some uncertainty about the future of interest rates and investors are inclined to hold back.

The capital market appeared weak at the beginning of the year and two government capital issues, though subscribed, were not taken up with any enthusiasm. Later in the year the market improved and the City of Auckland issues were taken up almost immediately. An issue floated in London to finance the Murupara pulp and paper development was subscribed within ten minutes.

Employment continues full; in October nearly 11,000 jobs were waiting to be filled and there were hardly more than a score of idle hands to take them.

### The Outlook

There is a great latent demand in New Zealand for imports of all kinds, from basic raw materials right through to luxury consumer goods and this demand, if given free rein, would have a serious effect on the country. It is therefore unlikely that there will be any early return to an unrestricted market. On the other hand, some gradual relaxation in control may be feasible in the near future, but what direction that relaxation may take is impossible to foretell. ●

# JAMAICA

*Increased industrialization and larger exports helped to narrow Jamaica's trade gap in the first ni months of 1953. Rice acreage was enlarged in effort to achieve self-sufficiency. Bauxite develo ment is providing new source of revenue; shipments of alumina to Kitimat will begin in May.*

M. B. PALMER, *Trade Commissioner, Kingsto*

AGRICULTURE takes a predominant place in Jamaica both in the production of primary products and the output of secondary industry. In recent years, industrial development has made considerable progress and the tourist trade has been contributing more and more to the national income.

Sugar and its by-products lead in the agricultural field. During 1953 sugar production, at 330,237 long tons, reached a record; in 1954, it may total 358,175 tons. Canada imported 107,367 tons last year.

In the last few years, the production of rum has decreased in favour of molasses which first became available for export from Jamaica about two years ago. In 1953, some 1,308,135 gallons of rum were produced, about 45 per cent of the previous average, and the estimate for this year is one million gallons. Eleven million gallons of molasses were exported in 1953 and it is expected that between 12 and 13 million gallons will be shipped this year.

## Agricultural Conditions

The chief objective of the recently formed Agricultural Development Corporation is to make Jamaica self-sufficient in rice by cultivating some 25,000 acres. Fourteen thousand acres of new land were put into crop last year and produced ten thousand tons. In addition, experiments are being conducted in castor oil bean production and in the improvement of the pineapple industry.

Post-hurricane banana cultivation has come along satisfactorily and the hoped-for export of some 10 million stems was achieved in 1953. These shipments of "green gold" were valued at more than the record export of 27 million stems in 1937.

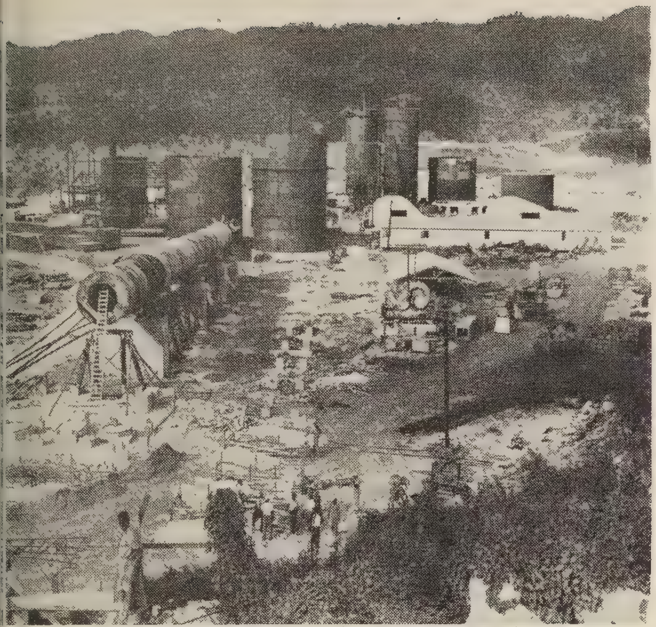
The present citrus crop will be down about 25 per cent from the previous crop year. Grapefruit will account for about 220 thousand boxes, of which 100 thousand are processed into grapefruit sections, 60,000 into juice, 20,000 consumed locally, 20,000 shipped as fresh fruit to New Zealand and 20,000 to the United Kingdom. The orange crop is expected to be about 490 thousand boxes of which 80,000 will be consumed locally, 80,000 shipped to New Zealand and the remainder processed into natural juice and orange concentrate, which is then exported to the United Kin dom. In addition, it is expected that there will about 150 thousand boxes of seeded grapefruit, bitt oranges and lemons combined, and a further 1 thousand boxes of limes which will go into juice a lime oil for export.

## Industrial Activity Increases

In the industrial field, the biggest project in Jamai is the bauxite development. The three large operat completed initial plant and harbour construction du ing 1953 and regular shipments are now being mad The Canadian interests loaded the first cargo of 8,3 tons of alumina last week for Norway from the ne Port Esquivel. In May, shipments to Kitimat will beg and by October, 30,000 tons will be shipped every tw months. All local expenses and income tax are pa able in dollars and this creates a tidy income for th Colony.

Another import development for the year was a co tract for the shipment every ten days of 11,000 tons crushed gypsum rock to processors in Florida w supply their own carriers.

The Industrial Development Corporation has be active in attracting foreign capital and new industr It says that it is working on about fifty possible pr jects, to be undertaken mainly by U.S. and Canadi interests and ranging from rattan furniture to penci A Toronto firm expects shortly to begin building plant in Jamaica to produce jelly crystals, etc.; Montreal manufacturing firm is considering putting capital for a plant processing such things as gloves a lingerie. Another Montrealer expects to be in t aluminum spinning business by March. A compa backed by British capital is about to start pressi aluminum, steel and tin and proposes to build a facto later. Pioneer industry status has been given a fi that is to produce heavy purpose corrugated paper a cardboard containers. Local production of sho reached 12,000 pairs during Christmas week, throu the application of new machinery and modern tec niques. Decisions on financial concessions, etc., c now often be given by the Finance Control Board in matter of days.



*Jamaica is the site of the first alumina plant in the Caribbean, here shown under construction last year. In February last the first shipment of alumina left Port Esquivel for Norway.*

By the end of October 1953, tourists numbered 103,518, or 18 per cent more than for the corresponding period of the previous year, a postwar record. The objective of 120 thousand was probably reached by the end of 1953, creating an income of around £4½ million, 90 per cent (about $11 million) of which is in dollars. More hotels were built last year than ever before and construction continues.

### Foreign Trade Improves

The following are the latest provisional trade figures available from the Jamaica Bureau of Statistics, with comparisons in rounded figures.

**Trade of Jamaica**

*Imports*

c.i.f. 000's omitted

| | 1952 | 9 months 1952 | 9 months 1953 |
|---|---|---|---|
| Total | £36,113 | £27,593 | £25,703 |
| United Kingdom | 14,765 | 11,361 | 10,718 |
| Canada | 4,349 | 3,406 | 3,776 |
| United States | 7,578 | 5,777 | 4,393 |

*Domestic Exports*

f.o.b. 000's omitted

| | 1952 | 9 months 1952 | 9 months 1953 |
|---|---|---|---|
| Total | 17,260 | 14,259 | 20,610 |
| United Kingdom | 11,827 | 9,794 | 12,086 |
| Canada | 2,548 | 2,483 | 4,219 |
| United States | 1,362 | 903 | 2,396 |

The outstanding feature of 1953's trade was the narrowing of the trade gap through reduced imports and increased exports. Trade with Canada showed a balance in favour of Jamaica.

In the first nine months of 1953 imports decreased by over £1 million because purchases of cement were down by £45,062; condensed milk by £93,382; cotton and rayon piece goods, £291,471 and industrial machinery, £604,195. The increasing output of local factories was the reason for the fall in cement, condensed milk and piece goods imports and the reduced requirements for equipment in the bauxite industry caused the fall in machinery imports.

The main increases in exports in the same period were accounted for by sugar, £2¼ million; fresh and preserved fruits, £2 million; and bauxite, £2 million. The bauxite figure is purely a nominal one because no funds are paid for the exports.

According to the Trade Controller's figures, the actual dollar expenditure for Canadian goods brought into Jamaica under the B.W.I. Trade Liberalization Plan during 1953 was $1,939,955; the corresponding figure for imports from the United States was $1,180,045.

Taking into account all invisibles, preliminary figures from the Finance Control Board indicate a net loss of $2,390,633 for Jamaica during 1953, made up of a debit of $8,999,355 for Canada and a credit of $6,608,722 for the United States. Jamaica does not receive credit in dollars for sugar sold to Canada which would amount to approximately $9,940 thousand. If this were included, it would produce a net dollar credit of over $7½ million. The corresponding net balance for 1952 was only $1,352,223.

### Other Highlights

Under the pay-as-you-earn income tax system, collections during the first nine months of the fiscal year were up 30 per cent compared with the corresponding period of 1952.

Towards the close of the year the Jamaica Bureau of Statistics instituted a sample survey of population and family budget from which averages will be struck. The preparation and organization of this work overtaxed the personnel so that work on other activities fell behind and detailed trade statistics for 1952 have not yet been released.

There were a number of minor work stoppages during the year, none of them serious. There is some concern that the sugar industry may be faced with a falling price and new labour demands. With agricultural operations in full swing, increased employment is reflected in a larger volume of purchasing power, particularly noticeable in cheap dry goods and hardware. Merchants, however, continue to follow a cautious policy of steadily reducing inventories and their buying is on a much more moderate scale.

The Minister of Finance recently hinted that it might be necessary to impose additional taxation to finance the Government's intended development programs, especially those recommended in the World Bank Report. ●

# BRITISH HONDURAS

*Colony is turning to new types of agriculture, including the planting of cocoa and growing of oranges a ramie. Other development plans, such as road building, are proceeding. Purchases of Canadian go fell off slightly in 1953 partly because of no direct shipping connections.*

M. B. PALMER, *Trade Commissioner, Kingst*

BUSINESS CONDITIONS in British Honduras are fairly satisfactory though the forestry and chicle industries are not fully employed and the disastrous fire in Belize in October, which destroyed one of the two largest retail establishments, created some distress. There is little change in the trade field.

The Colony achieved a revenue surplus of B.H.$11,000 in 1952. Returns for 1953 are not complete, but revenue is placed at $3,900,000 and expenditures at $3,820,000, providing a surplus of $80,000 for the year. Revenue for 1954 is estimated as about the same as in 1953, and expenditure at $3,746,000.

The 1953 surplus includes $40,000 taken over from the import control balance. The separate department to deal with import control and price control is being abolished and the Secretariat is assuming responsibility for the remaining import control. Only petroleum products, lumber and fresh meat remain subject to price control. The cost-of-living index at November last stood at 258, compared with 270 a year earlier and 262 in November 1951 (September 1939=100). There is a strong feeling in official quarters that the freeing of imports would create no great increase in expenditure.

## Agricultural Pursuits

Although the large-scale banana cultivation undertaken in the Stann Creek Valley has been abandoned, the emphasis remains on agricultural pursuits. Experiments are being undertaken in the planting of cocoa to take the place of bananas and the growing of ramie is proceeding, following advice on the most suitable types obtained from United States experts. Citrus production in the Valley, particularly orange growing, is expanding. Crop returns are regarded as satisfactory with estimates of 300 thousand cases of grapefruit and 250 thousand cases of oranges for the current season.

The Corozal sugar factory in the extreme north of Colony is being expanded, using capital to the tune four to five million dollars, partly obtained privat from Jamaican sources. When the project is compl the factory will have a capacity of 17,000 tons. export quota of 5,000 tons has been allocated to Brit Honduras and present production amounts to ab 4,000 tons, which leaves 500 tons for export. E mated cane production for 1955 is put at 48,000 to up 16,000 tons from the current season.

The Government is undertaking a new developm plan in a large area of the Toledo district in the extre southwest of the Colony. This is an agricultural a sparsely settled (chiefly by Caribs) and considered be the most potentially rich district in the country. T details of the scheme are yet to be announced but a first step, an officer is to be appointed to explain t people's needs to Government and the Governmen plans to the people.

## Development and Trade

The renewal of the Colonial Development and Welfa Act will mean continued assistance until the end 1960; otherwise, the task of development would beyond local resources. The building of roads h increased in the last few years and it is realized th much more must be spent on their maintenance a on public works generally. As educational faciliti improve and as the Colony advances constitutional civil service salaries and the cost of administration w inevitably rise. Thus, during the immediate future is essential to conserve resources and concentrate productive expenditure to fulfil development plans.

New sources of income include increased royalty rat on certain trees on Crown lands, bringing them in line with the fees charged by private owners; increase in the export duty on chicle from four to s

**Trade of British Honduras**

(in B.H. dollars)

| | *Imports* | | *Domestic Exports* | |
|---|---|---|---|---|
| | 1951 | 1952 | 1951 | 1952 |
| | *c.i.f. values* | | *f.o.b. values* | |
| Totals | $12,407,332 | $12,671,851 | $5,985,700 | $5,615,4 |
| United Kingdom | 4,600,120 | 4,671,639 | 1,623,793 | 2,059,2 |
| Canada | 848,192 | 709,191 | 442,619 | 32,5 |
| United States | 3,886,658 | 3,885,525 | 2,020,378 | 1,623,4 |
| Australia | 280,822 | 429,368 | ....... | ... |
| Trinidad | 12,627 | 647,968 | 277,664 | 152,0 |
| Jamaica | 137,235 | 200,972 | 530,700 | 1,224,0 |
| Holland | 708,463 | 681,661 | 4,600 | 1,4 |

cents a pound at the end of the present chicle season; and a Lotteries Act to increase materially funds for hospital improvement. A charge on vehicles bringing lumber over the Colony's roads from adjoining territories has been recommended.

The new Department of Information and Communications, to function this year, takes over the work previously done by the Public Relations Office, the telephones and the telecommunications section of the Post Office. While the initial outlay for amalgamation will be large, the one department should be more efficient and less costly in the long run.

A new customs tariff was put into effect towards the close of the year, not with the object of increasing revenue but to simplify administration and bring it more in line with international classification practice. There were no important rate changes.

The table shows that Canada's position deteriorated somewhat and Australia gained ground. The lack of suitable freight shipping between Canada and British Honduras is the important factor and figures for 1953 may well show further declines. In any event, allocations under B.W.I. Trade Liberalization Plan for 1953 were taken up only to one-third of their total value. DBS statistics give the value of Canadian exports to the Colony as $375,667 in 1953, compared with $380,940 in 1952. Main commodities were wheat flour, canned sardines, cotton fabrics, pickled pork, and whole milk powder.

Roughly two-thirds of the Colony's imports consist of manufactured goods and one-third foodstuffs; mahogany and other woods, chicle, and citrus products form the main exports.

# Leeward and Windward Islands

*Canadian exports to the islands dropped by $500 thousand during 1953 but recent extension of Open General Licence may mean increased trade. Development programs are making progress.*

ROGER R. PARLOUR, *Assistant Trade Commissioner, Port-of-Spain.*

BUSINESS CONDITIONS in the Leeward and Windward Islands were quiet during 1953. These colonies emain almost entirely dependent on a few agricultural rops and there is the persistent problem of a rapidly-rowing population to feed and clothe. Industry and ourism are making little progress, but development rograms financed by the Colonial Development and Welfare Organization are helping to improve living onditions and step up productivity.

## Trade with Canada

Consumer goods from the sterling area and basic foodstuffs from Canada make up the bulk of imports. Purchases from Canada for the year 1953 were valued t Can.$3·8 million, compared with Can.$4·3 million or 1952: flour, fish and meats were the main items. The market for Canadian goods is largely confined to ssentials as long as currency controls remain, but the ecent extension of the Open General Licence list may ad to an increase this year. By the end of 1953, all he islands had discontinued the bulk purchase of flour hrough the British West Indies Trade Commissioner n Montreal and had reverted to buying from local ommission agents.

Dominica and St. Lucia have entered into long-term contracts for the marketing of their banana crop in the United Kingdom. A sharp drop in lime prices caused concern in Dominica late in the year and it may prove difficult to maintain sales to the United Kingdom. In St. Lucia, two of the largest sugar estates closed down in the fall as the owners sold out. A public company is being formed to purchase the estates and resume production. St. Kitts had a good sugar crop but latest reports indicate that drought is affecting the 1954 crop. Business conditions in St. Vincent and Grenada were dull; there was some labour unrest in the latter. A new radio broadcasting service is being set up in Grenada with the aid of British Broadcasting Corporation technicians.

For the islands as a whole, much larger sales of sugar to Canada during the first eight months of 1953 brought an increase of Can.$1 million in revenue compared with the comparable period of the previous year. From all indications, there will be little change in the level of economic activity in the Windwards and Leewards during 1954. Given good weather and stable world markets, a reasonable degree of prosperity seems probable. ●

# BRITISH GUIANA

***The interim government set up in December is pushing development projects in agriculture and t portation and planning housing schemes. Total trade declined in 1953 because of lower imports; Ca continued to be the leading market, taking 45 per cent of the total value of exports.***

PAUL V. McLANE, *Trade Commissioner, Port-of-S*

AT THE BEGINNING OF 1953, British Guiana appeared to be set for steady economic development. As a result of an unusual turn in political events, the outlook is not so certain today. The ministerial system of government set up in 1952 had to be suspended because of the irresponsible behaviour of the party in power, which was suspected of Communistic sympathies; British troops were called in and plans were made for an interim government.

### Interim Government Set Up

On December 27, 1953, an interim government was set up to administer the affairs of the Colony during the present crisis and for some time thereafter. The new government consists of an Executive Council of 10 members, three ex-officio members, the Chief Secretary, the Attorney General and the Financial Secretary, presided over by the Governor, and a Legislative Council of 27 members presided over by a Speaker nominated by the Governor.

The Financial Secretary presented his Budget early in January, calling for an expenditure of BWI$31,779,617, of which $15,456,520 is expected to be raised from Customs duties. Framed to attract outside capital into the country, it contained no proposals for additional taxation and an estimated accumulated surplus balance of $5,813,733 was carried forward. This is the first of two Budgets. A second one—developmental—will be introduced later. Subsidies will be continued on foodstuffs—$750,000 on flour and $629,500 representing remission of Customs duties on other imported foodstuffs such as split peas, condensed milk, salted fish, and so forth.

The Colonial Office has set up a Commission to study the present constitution of the Colony and recommend changes. The Commission arrived in the Colony on January 6th and is now holding sittings.

### Development Plans Pushed

A rapidly growing population makes it imperative that the resources of the country be developed and present production expanded. With a view to assessing these resources, a World Bank Mission visited British Guiana and recommended a self-help, five-year economic plan, to cost BWI$66 million. The Mission stressed that, with energy and great goodwill, the Colony's economic problems can be solved and progress assured. Both agriculture and forestry were found to be capable of development. The Commission believed that greater part of the proposed investment program be financed locally from government funds revenues or by a domestic loan issue.

Outside capital has gone into the mining, sugar and timber industries but other plans are in abey until conditions become more normal. The Gov visited the United Kingdom and on February announced proposals for the expenditure of BW million in 1954-55. Briefly, the development calls for agricultural schemes totalling nearly million and housing schemes costing nearly $10 mi About $10 million has been allocated to ports, ping, railways, roads and civil aviation and aspects of the plan cover a wide range of imp ments. The United Kingdom Government promised to assist in the financing.

### Strike Affects Sugar Output

Because of a strike which lasted over a month, aff all the sugar estates of the Colony and culminat a complete cessation of activities, British Gui sugar production has fallen short of the hope target by 14,824 tons. The total output for the 1953 was 240,176 tons, compared with 242,692 in the previous year. But for the strike, produ would probably have set a record. British Guian a high-cost producer and depends on the continu of a favourable access to the United Kingdom ma

### Other Industries in '53

Rice is mainly a peasant industry and it was affected by strikes. Production for 1953 is estim at 71,400 tons, compared with 68,000 in 1952, plans are afoot to expand production further increasing acreage. A new development is pack rice—some 2,500 tons were exported in packages ing the year ended September 30, 1953.

Some 22,000 square miles of tropical forest are sidered accessible and they provide many specie good timber. Sales abroad are increasing and for first seven months of 1953 were valued at BWI 417,299, compared with BWI$1,128,008 for the s period in 1952. Main type exported in quantit Greenheart, which goes mainly to the United King and the United States. It is planned to increase proc tion of Greenheart as well as woods such as M Wallaba and Crabwood.

auxite is the principal mineral and it is estimated hat 2,160,000 tons were exported in 1953. For eight nonths ended August 31, 1953, 1,385,179 tons, valued t $15,544,198, were exported.

### xternal Trade Lower

he value of external trade for the year 1953 is xpected to total only $152 million, compared with 164 million in 1952, largely because of a fall in nports from $83 million to $71 million. However, ie rate of imports in the latter months of 1953 nproved and this should carry on into 1954. Exports ll slightly—from $82 million in 1952 to $81 million 1 1953. Of the total value of exports, approximately 5 per cent went to Canada, 33 per cent to the United ingdom, 14 per cent to other Commonwealth coun- ies, and 7 per cent to the United States. Canada's hare went up by 4 per cent and the United Kingdom's ecreased by 4 per cent, compared with 1952.

ast year 49 per cent of the imports came from the nited Kingdom, compared with 40 per cent in 1952; anada's share was about the same as in 1952—14 per cent. The share of other Commonwealth countries decreased from 20 per cent in 1952 to 15 per cent in 1953, and the share of the United States fell from 17 per cent in 1952 to 14 per cent last year.

Canada sells a great variety of commodities to British Guiana; sales in 1953 were valued at Can.$4,777,076, a fall from the total of $6,355,520 for 1952. Flour heads the list of exports with a total of Can.$2,036,887 for 1953; in fact, we secure practically all the flour business of the Colony. During the same period we sold Can.$326,305 worth of mining machinery and Can.$126,694 worth of cotton fabrics. Other important items are foodstuffs; exports of split peas were valued at Can.$267,746, slightly higher than in 1952. As usual, we secured the bulk of this trade. Sales of fish products reached a total of Can.$250,199. We enjoy a good share of the canned fish trade but the United Kingdom secures the bulk of the dried fish business, because British Guiana is a price and mackerel market. Our exports of meat products reached a total of Can.$180,785 in 1953, down from the previous year by about Can.$62 thousand. Our chief competitor here is the United States.

## ARBADOS

***ocal sugar production—which provides 95 per cent of exports—reached 160 thousand tons in 1953; ay rise in 1954. Island's chief problem continues to be shortage of agricultural land.***

ROGER R. PARLOUR, *Assistant Trade Commissioner, Port-of-Spain.*

USINESS CONDITIONS IN BARBADOS remained atic during 1953. The economy is largely agricul- ral and nearly all available land is already under ıltivation. Thus possibilities of expansion are limited ıd with a growing population, each development of ew roads and housing means less land for growing ops. The usual unfavourable balance of merchandise ade persisted in 1953, although this was partially fset by tourist earnings.

### ugar and Molasses

ıgar and its products account for 95 per cent of all ports and the island's finances are dangerously ependent not only on local production but also on orld sugar prices. The 1953 production of sugar talled 160 thousand tons, a slight drop from the evious year. Grinding of the 1954 crop is just under ay and output may reach 180 thousand tons. Bar- dos' adherence to sugar marketing agreements sures a reasonable price and a market in the United ingdom for most of her production.

September, Barbados sent a four-man delegation to vestigate declining sales of molasses in Canada and the United States. The group reported that shipments should go in bulk rather than in puncheons. This would allow packaging in attractive containers in Canada and should result in lower prices. The need for more advertising was also stressed.

### Trade and Industry

During the year, Barbados purchased goods from Canada under the Trade Liberalization Plan and the dollar program, but the bulk of the colony's requirements came from the sterling area. Imports from Canada for the first nine months of 1953 were Can.$2½ million, a drop of $½ million from the same period of 1952. However, with a number of foodstuffs recently added to Open General Licence, the colony may increase its purchases from Canada during the current year. Flour, fish, lumber, animal feedstuffs, tobacco and meats are the principal Canadian exports to this market.

Industrial development is not making much headway and some persons complain that high taxes are hindering expansion. Two companies are drilling for oil but with no great success. A small plant producing hams and sausages is in operation and there are prospects for a fish canning plant which, among other products, would put up flying fish. A cold storage plant to assist the domestic and export marketing of fish is also being planned. Efforts are being made to build up a dairy industry. Tourist travel is of increasing importance and Canadian vacationers are much in evidence during the winter season.

For the coming year, business activity should remain at much the same level. Confidence in the stability of the colony is indicated by the recent introducti the ministerial system of government. The chief e tive now becomes the first Premier in the British Indies and included in his cabinet is a Minist Trade, Industry and Labour.

Over the longer term, Barbados is faced with the lem of agricultural land becoming scarce and incr production to feed a growing population can only from more intensive cultivation or from g investment in the tourist and other industries.

# TRINIDAD

*New additions to the colony's Open General Licence list should open up a larger market for Can products. Favourable trade balance in 1953, good sales prospects for Trinidad's main produ oil, sugar and cocoa—and continuing industrial development augur well for the months a*

ROGER R. PARLOUR, *Assistant Trade Commissioner, Port-of-S*

THE YEAR 1953 was a particularly good one for Trinidad; in fact, the Colony chalked up its largest favourable trade balance of the past decade. The principal export, petroleum products, increased 10 per cent over the previous year and sales of other basic commodities such as sugar, cocoa, coffee, citrus fruits, rum, spices and tonca beans all gained substantially. The direction of the colony's import trade reflected its policy of conserving dollars. Although there was an overall drop in imports, purchases from the United Kingdom increased to a level of B.W.I.$89 million, or more than one-third of the total. Imports from Canada and the United States each declined to just under B.W.I.$20 million. Purchases from the Netherlands jumped by almost 50 per cent to nearly B.W.I.$10 million. Of the many other countries selling small amounts in this market, Australia, India and Japan lost ground and Western Germany and South Africa gained. As in previous years, Venezuela and Colombia supplied substantial quantities of crude oil which was refined and re-exported.

### Import Restrictions Removed

Outstanding news for Canadian exporters was the recent addition of eight items to Trinidad's Open General Licence list. Commodities which may now be imported from Canada without restriction are onions, potatoes, animal feedingstuffs, canned fish, cheese, powdered and canned milk, split peas and meats. These are in addition to newsprint and kraft paper, dried, smoked, pickled and salted fish, and certain base metals, all of which have been free of import restrictions for some time.

It is still too early to judge the results of this ch Canada has traditionally supplied most of these modities and limited amounts had been comi under the Trade Liberalization Plan or the dollar gram. Because importers are now assured of conti of supply from Canada, Canadian exporters s be able to strengthen their dominant position. Bu high rate of exchange of the Canadian dollar is a h cap and favourable prices must be quoted to competition from Europe, the United States and monwealth countries. Buyers in Trinidad are s times quick to make claims when the qualit Canadian foodstuffs is not up to its usual high stan

One indirect result of the additions to Open Ge Licence is that the Trade Liberalization Plan places more emphasis on "brand name" g Exporters of branded goods should be able in f to give better year-round service to their custome Trinidad through Trade Plan allocations.

The momentum of Trinidad's industrial develop program will be maintained by a newly-formed De ment of Industry and Commerce, for which a office building will be constructed. One of the projects this department is undertaking is a broc *Opportunities for Industries* which will be distrib abroad. In addition, a proposal to allow duty entry of materials, components and supplies for m facturing industries in the colony is now before Government. One further development is that Trinidad Government, although not willing itse invest in industrial enterprises, is now considerin establishment of an industrial estate outside Po Spain.

*Canadian lumber being unloaded at the schooner jetty in Port-of-Spain. Trinidad buys each year considerable quantities of Canadian planks and boards and squared timber.*

Among products already being turned out by pioneer ndustries are time recorders, beer, glass products, aperboard cartons, stockfeeds, textiles, artificial teeth, lastics, polishes, electroplated wear, knitwear, pharmaeuticals, essential oils, flavouring extracts, paints and ils, typewriters, office machines and macaroni. The irst shipment of sulphur recovered from crude oil was nade last December by one of the island's principal il refineries. A cement factory, first in the Eastern Caribbean, will begin operation in April and the manuacture of stockfeeds from citrus peel and pulp will ommence shortly.

A firm of consultants has advised that a $4 million otel be built in Port-of-Spain, but no action in this irection has yet been taken. A unique proposal comes rom a group in the United States who would like to stablish a cultured pearl industry on a small island ear Tobago. Inquiries have also been received by he Government about the manufacture of condensed nilk, men's hosiery, building materials, fertilizers, hips, and gin.

Like most of the West Indian colonies, Trinidad cannot e isolated from world economic conditions. Her rosperity is largely governed by the size of her crops nd the world prices for oil, sugar and cocoa. The olony's production and sale of oil remains steady and nder-girds the economy, and there are no signs of any ignificant change in this quarter during the current ear. Export prices for sugar are guaranteed by the Commonwealth Sugar Agreement and the International Sugar Agreement and these agreements assure substantial export sales. With the cane harvest just beginning, 1954 sugar production is estimated at 165,700 tons, an increase of about 8 per cent over the previous year.

The cocoa crop for 1954 is not expected to exceed 16 million pounds, compared with 22 million in 1953. World cocoa prices are unstable but there is a good chance that they will rise, so that the value of cocoa exports this year may hold up well. The coffee crop is just coming in and should equal last year's heavy yields. Exports may reach 2½ million pounds and prices are buoyant. The citrus crop just being harvested may be only 400 thousand boxes, about half of last year's record production.

The year ended with good news for Trinidad exporters. Venezuela announced the lifting of the 30 per cent surtax on goods native to Trinidad and British Guiana and increased sales of Trinidad produce to this rich dollar market are expected.

General business activity in the colony is quite brisk. The development of new industries and the widespread construction of new stores, offices, banks, and business premises show that businessmen feel confident about the island's future. One of the principal grocery retailers in Port-of-Spain recently opened a modern self-service supermarket patterned after those in Canada. Another Canadian bank is planning to open an office here, thus bringing the total to three. From all indications, 1954 should see continuing prosperity. ●

# British Import Controls and Canadian Exports

*Relaxation of British import controls on essential foo and raw materials means that about 60 per cent Canadian trade is free of import restrictions in the U. market—though the effects may not be felt immediate*

W. LAVOIE, *International Trade Relations Branc*

THE UNITED KINGDOM'S DECISION in 1953 to remove its import controls on purchases of essential foods and raw materials from all sources marked a significant departure from the severe restrictions in effect since 1939, designed to limit imports to essential requirements. For the first time since the war, a large sector of Canadian trade was freed from import restrictions and discrimination. The following paragraphs give a brief review of this development and of its incidence on the pattern of Canadian trade with the United Kingdom.

## Four Control Categories

The United Kingdom emerged from the war with a comprehensive system of import controls, which it continued to maintain because of a serious disequilibrium in its balance of payments. Imports from Canada fell into four control categories, which remained substantially the same until May 1953, although some revisions within these categories occurred from time to time.

The bulk of imports from Canada was purchased by government agencies and was thus subject to direct control. The goods consisted mainly of basic foodstuffs and raw materials—notably wheat and flour, aluminum, copper, lead, zinc and softwood—which for the most part were in short supply throughout the world. Among goods in the hands of private trade, a few essential raw materials were freed from import controls and were allowed to be freely imported from any country under World Open General Licence. The main Canadian products in this category were nickel (1945), cobalt, iron ore, asbestos, and platinum (1951). A third category was comprised of the limited number of traditional Canadian products, mainly consumer goods and worth about $5 million a year, which were admitted under a Token Import Scheme. All other imports from Canada required a specific import licence, which was granted only on proof of essentiality.

## Relaxation Begins

Only a few Canadian products were free from import control until May 1953, when the United Kingdom took a number of steps to relax import restrictions and to reduce discrimination against dollar goods. By introducing greater freedom for the purchase of co modities from all sources, it was found that excessi premium prices were avoided. A number of essent raw materials such as ferro-alloys, organic fertiliz and feedstuffs were added to the free list (W.O.G.L while for most other raw materials and basic foodstu newly-introduced Open Individual Licences gave co plete freedom of choice in source of purchase a imposed no limits on quantity or value. This new ty of licensing was adopted for some of the leadi imports from Canada such as wheat, flour, coa grains, copper, lead and zinc, on their reversion private trade. Since then further measures of rela tion have taken place on some products of interest Canada such as pyrites, linseed and linseed oil, a soya beans.

## Effect of Relaxations

This relaxation of controls involves a striking cha in the proportion of Canadian trade which is free fr import restriction. Before 1953, the proportion w not more than 10 per cent of total Canadian expo to the United Kingdom; it now represents about 60 cent. If account is taken of aluminum, newsprint, a wood pulp—which, although restricted, are allow freedom of competition in the United Kingdom mar —about 80 per cent of Canadian exports are on non-discriminatory basis. In interpreting percenta figures such as these it must of course be remembe that Canadian exports now being discriminated agai in the United Kingdom might increase or decrease the percentage share as a result of changes in imp control policy. It is clear, however, that United Ki dom discriminatory import controls have already be relaxed in a very important way.

It will take some time before the effects of these rela tions can be measured in the exporting and import countries. However, an increase in Canadian expo of barley and animal feedstuffs would appear to partly due to the removal of import controls. T decline in the United Kingdom import price index fr 88 in May 1953 to 85 in December 1953 would a confirm the United Kingdom expectation of a red tion in import costs as a result of the freeing of th essential classes of imports from controls.

he appendix gives a complete list, reproduced from n official notice of February 6, 1954, of goods admis-ible under World Open General Licence, an extract om the same source showing goods admissible under Open General Licence when consigned from and originating in the Commonwealth (including Canada), and a list of important Canadian products which may be imported on Open Individual Licence.

# APPENDIX

*oods which can be imported freely into the United Kingdom from any country (including Canada) under orld Open General Licence.*

cetylene black.

lloys, unwrought, except ferro-alloys, of the following—beryllium, cobalt.

nimals, live, quadruped, the following:—goats, sheep, swine.

*ote.*—Importers are reminded that imports of these animals are, in certain circumstances, subject to prohibitions or restrictions imposed for the protection of health. Inquiries in particular cases should be addressed to the appropriate Department of Agriculture.

rsenous oxide (white arsenic).

sbestos, raw and fibre; asbestos waste.

sphalt and bitumen, natural.

auxite.

i-metal, thermostatic.

ones fit only for manufacturing purposes.

*ote.*—Importers are reminded that bones may not be imported from the Continent of Europe except under licence from the Ministry of Agriculture and Fisheries or the Ministry of Agriculture for Northern Ireland.

oron.

ristles.

anes and rattans, unmounted, whether split or not.

apers in brine packed in casks.

asein, raw.

henopodium (wormseed) oil.

obalt,-iron-copper alloy, crude; cobalt oxide, crude or refined.

oir yarn and coir fibre.

ryolite, natural, refined.

utch.

esigns, architectural or engineering, of no commercial value.

iamonds, rough.

ipentine.

rugs and the like, raw or simply prepared, the following:—

- Aconite.
- Aletris root.
- Aloes, Cape.
- Aloes, Curaçao.
- Aloes, Socotrine.
- Angostura bark.
- Araroba.
- Areca nuts.
- Arnica flowers and rhizome.
- Asafoetida.
- Balm of Gilead buds.
- Balsam of Copaiba.
- Balsam of Peru.
- Balsam of Tolu.
- Bayberry bark.
- Black Cohosh root.
- Black haw bark.
- Blood root.
- Buchu.
- Calabar bean.
- Calumba root.
- Camomile flowers.
- Cannabis indica.
- Cascara bark.
- Cascarilla bark.
- Cassia fruit.
- Chaulmoogra oil.
- Chiretta.
- Cocillana bark.
- Colchicum corm.
- Colchicum seed.
- Colocynth pulp or apples.
- Condurango.
- Croton seeds.
- Damiana leaves.
- Dandelion root.
- Deer tongue leaves.
- Echinacea root.
- Ephedra herb.
- Ergot of rye.
- Eucalyptus red gum.
- Euphorbia gum.
- Euphorbia herb.
- Gelsem root.
- Gentian root.
- Gossypium root bark.
- Grindelia herb.
- Guaiacum gum.
- Gum elemi.
- Henbane, Egyptian.
- Horehound.
- Hydnocarpus oil.
- Hydrastis root.
- Indian rhubarb root.
- Ipecacuanha root.
- Ispaghula.
- Jaborandi.
- Jalap, Mexican.
- Kamala.
- Kava-kava.
- Kino.
- Kola nuts.
- Krameria.
- Lavender flowers.
- Lemon peel, dried.
- Leptandra root.
- Lime tree flowers.
- Liquorice root, natural.
- Liquorice root, peeled.
- Lobelia.
- Male fern.
- Mandrake peltatum.
- Mastic gum.
- Matico leaves.
- Nux vomica.
- Orange peel, dried.
- Orris root.
- Papain.
- Passion flower herb.
- Pleurisy root.
- Podophyllum emodi.
- Poke root.
- Prickly ash bark.
- Quillaia bark.
- Quince seed.
- Rhubarb, Chinese.
- Rhus aromatica.
- Sabadilla seeds.
- Saw palmetto berries.
- Sarsaparilla.
- Sassafras bark.
- Scammony root, Mexican.
- Scullcap herb.
- Senega root.
- Senna leaf.
- Senna fruit.
- Sepentaria root.
- Simaruba.
- Slippery elm bark.
- Squill white.
- Stillingia root.
- Stone root.
- Storax (or styrax).
- Stramonium leaves.
- Strophanthus gratus.
- Strophanthus kombe.
- Uva ursi.
- Valerian root.
- Wahoo bark.
- White pine bark.
- Wild cherry bark.
- Witch hazel bark.
- Witch hazel leaves.
- Yerba Santa.

Ferro-alloys, unwrought, the following:—

- Ferro-beryllium.
- Ferro-cerium.
- Ferro-cobalt.
- Ferro-molybdenum.
- Ferro-tungsten.
- Ferro-uranium.
- Ferro-vanadium.

Fertilizers, the following:—

- Alfalfa meal.
- Blood, dried.
- Bone charcoal.
- Bone, dissolved.
- Bone, hoof and horn meal.
- Bone powder.
- Chamois leather dust.
- Dried fish.
- Dried spent hops.
- Extracted mustard seed.
- Feather waste.
- Guano.
- Lucerne meal.
- Rabbit skin waste and residue.
- Steamed bone flour.
- Stera meal.
- Tankage.
- Vegetable meal.

*Note 1*—Where any of the above items are imported for use as feedingstuffs they are also covered by this Open General Licence.

*Note 2*—Importers are reminded that:—

(*a*) under the Importation of Carcases (Prohibition) Order, 1926, bone charcoal, bone, hoof and horn meal, bone powder, dried blood, dissolved bone, and steamed bone flour may not be imported from the Continent of Europe except under licence from the Ministry of Agriculture and Fisheries or the Ministry of Agriculture for Northern Ireland;

(*b*) under the Diseases of Animals Acts, imports of alfalfa meal and lucerne meal into Great Britain are prohibited from all countries in which foot and mouth disease exists. Similar restrictions apply to the importation of alfalfa meal and lucerne meal into Northern Ireland.

Film, cinematograph, exposed, of a width of 1⅜ inches only, consisting wholly of photographs (with or without sound track) which at the time of importation are means of communicating news.
Film scrap and waste.
Fireclay.
Flax and flax tow.
Flint, unground.
Fluorspar.
Fruits preserved without sugar, the following:—Mango pulp preserved in sulphur dioxide solution, in cask; sliced mangoes in brine, in cask.
Fur skins, undressed, rabbit.
Gall nuts.
Gold bullion; gold coin; gold concentrates and residues.
Graphite.

Gums and resins, the following:—
    Arabic.
    Copals.
    Damar.
    Kauri.
    Liquid rosin (tall oil).
    Myrrh.
    Olibanum.
    Sandarac.
    Shellac.
    Tragacanth.
Gypsum, unburnt, including alabaster.
Hemp, Indian (Sunn), of the variety crotalaria juncea, dressed or undressed, and tow of that variety.

Herbs, dried, in bulk, the following:—
    Basil.
    Bay leaves.
    Marjoram.
    Parsley.
    Pennyroyal.
    Rosemary leaves.
    Savoury leaves.
    Tarragon.
    Thyme.
Hydrographic charts.
Ilmenite.
Iodine.
Iron carbonate.
Iron or steel scrap fit only for the recovery of the metal; iron ore (including bog ore); iron powder (not including carbonyl); iron pyrites (including cupreous iron pyrites).
Isinglass.
Ivory, animal, raw, whether whole tusks or sections of tusks, not cut to shape or in any way prepared, treated or worked.
Japan wax.
Kapok.
Kelp.
Kyanite.
Locust bean kernels.
Loofahs.
Magnesite.
Manganese ore.
Mango chutney, in cask.
Manuscripts, typescripts and like products of duplicating machines (not including printed documents).
Maps and plans.

Metals, unwrought, the following:—
    Beryllium
    Cadmium.
    Cobalt.
    Manganese.
    Mercury.
    Molybdenum.
    Nickel.
    Niobium (Columbium)
    Tantalum.
    Titanium.
    Tungsten.
Micro-crystalline wax.
Microdol (micronized dolomite).
Molasses containing not more than 60 per cent of sweetening matter.
Mullite.

Mustard seed.
Naphthenic acid.
Nickel ores, concentrates, residues and matte.
Nickel oxide.
Oils, the following:—
    Oiticica, raw.
    Tung (China wood).
Olives (excluding stuffed olives) in brine, packed in casks.
Paints and painters' materials, the following:—
    Dry earth colours.
Panama hat hoods.
Pandermite.
Peat moss, peat moss litter, dust or mould, granulated pea
peat fuel or tailings.

*Note.*—Importers are reminded that the importation into No
Ireland of litter consisting wholly or partly of peat
won or cut anywhere in Europe other than in the
Republic or Scotland is prohibited.

Petroleum coke.
Petroleum jelly.
Petroleum sulphonates containing not less than 20 per cent
mineral oil.
Pig iron.
Platinum ores and concentrates.
Press photographs.

Printed matter of the following description:—
(i) Books and other publications published by the
Nations Organization or any of its specialized agenc
(ii) Books and publications and documents of all ki
raised characters for the blind;
(iii) Books, printed, and other printed matter for r
purposes (not including periodicals, magazines an
like), imported as a single copy through the post;
(iv) Newspapers, excluding separate or detachable sectio
supplements comprised wholly or mainly of strip car
(v) Official government publications published by the C
Government of their country of origin or by States
bers of the Federal Government of their country of
(vi) Periodicals, magazines and the like imported as
copies through the post:—
    (*a*) by persons who pay or have paid the oversea
    pliers direct and not through an agent, or
    (*b*) if of a learned, scientific, technical or religious r
    or printed exclusively in a foreign language, and
    agent who arranges for the import of single
    on behalf of a number of importers has
    authorized by the Board of Trade to make ar
    ments for payment on behalf of such importers
(vii) Publications, for which no payment has been or w
made, intended to promote tourist travel outsid
United Kingdom.

Printing blocks.
Quartz, raw rock crystals and slabs, not processed.
Quassia.
Rafaelite.
Raffia.
Rasorite (Kernite).
Refractory or heat insulating bricks, blocks and other shape
Seaweed, raw, unground, dried or bleached (not further pre
or treated).
Shellfish, fresh or boiled (not being in airtight containers
following:—Cockles, mussels, prawns, shrimps, including
shrimps, winkles.
Silk raw, silk waste and noils, including waste and noils cont
other materials; silk worm gut, untrimmed, natural, in
or bundles.
Sillimanite.
Sisal flesh.
Slag, other than basic.
Sodium chloride (salt).

Spices, the following:—
    Aniseed.
    Capsicums.
    Caraway seeds.
    Cardomoms.
    Cummin seeds.
    Curry powder.
    Dill seeds.
    Fennel seeds.

  - Cardomom seeds.
  - Cassia lignea.
  - Cassis vera.
  - Cayenne (or red) pepper.
  - Celery seeds.
  - Chillies.
  - Cinnamon.
  - Cinnamon bark.
  - Cloves.
  - Fenugreek seeds.
  - Ginger (whole dry root).
  - Mace.
  - Maw (poppy) seed.
  - Nutmegs.
  - Pimento (allspice).
  - Turmeric.
  - Vanilla beans.

Sponges, natural.

Tanning substances, natural, and extracts therefrom, not including spruce sulphite extracts, suphite cellulose extract and sulphite lye.

Tripoli powder.

Waxes, natural, the following:—Beeswax, montan wax, ozokerite.

Whale bone and whale finners.

Wood, the following:—incense cedar; shingles of red cedar.

Wool and animal hair, raw, whether cleaned, scoured or carbonized, or not, the following:—alpaca, camel, goat, llama, rabbit, vicuna.

*Note*—Importers of goat hair are remainded of the restrictions imposed by the Orders made under the Anthrax Prevention Act, 1919.

Wool, sheep and lambs' raw, the following:—

Sliped or skin wool.

Wool in the fleece, greasy, washed, scoured or carbonized.

*Note*—Importers of wool are reminded of the restrictions imposed by the Orders made under the Anthrax Prevention Act, 1919.

Yerba mate.

*Main Canadian goods which can be imported into the United Kingdom in unlimited quantities under Open Individual Licence. The licence can, however, be revoked if imports prove to be excessive.*

Softwood.
Lead, zinc, copper.
Wheat and flour, coarse grains.
Linseed and linseed oil.
Soya beans, dried white beans.

*Additional goods which can be imported freely into the United Kingdom if consigned from and originating in Canada.*

Animals, live, quadruped, other than horses and cattle.

*Note.*—Importers are reminded that imports of certain animals are subject to prohibitions or restrictions imposed for the protection of health. Inquiries in particular circumstances should be addressed to the appropriate Department of Agriculture.

Flower bulbs, corms and tubers.

*Note.*—Importers are reminded that imports of these goods are subject to the requirements of Orders made by the Department of Agriculture under the Destructive Insects and Pests Acts.

Precious and semi-precious stones, rough.

# Canada's Treaty Relations with the United Kingdom

TRADE RELATIONS between Canada and the United Kingdom are still regulated by the trade agreement concluded in February 1937, as revised by Exchanges of Letters of November 16, 1938, and October 30, 1947. The Agreement was further supplemented by additional obligations as a result of both countries' participation in the General Agreement on Tariffs and Trade.

The first trade agreement between Canada and the United Kingdom was signed in Ottawa in August 1932 and remained thereafter the main basis for negotiations between both countries. This agreement was rendered necessary by the fact that the United Kingdom adopted a new course in its trade policies. The United Kingdom was giving up its free trade policy which had been maintained from the mid-nineteenth century until 1932 and, at the same time, embarking on a policy of granting preferential treatment to Commonwealth countries.

The agreement provided that Canadian exports, with only a few exceptions—notably spirits, tobacco and motor cars—would be duty-free. It provided also for the increase in duties on foreign products competing directly with some outstanding Canadian exports such as wheat, cheese, condensed milk, and fresh and canned apples, and for the binding of seventeen margins of preference, the most important of which were wheat, butter, cheese, timber, asbestos, lead and zinc.

The 1932 Agreement was superseded, with minor changes, by one signed in 1937 which was to remain in force until August 20, 1941, and thereafter until terminated on six months' notice. It renewed exemption of Canadian goods from duties. Canada obtained guaranteed margins of preference on a few additional commodities. In 1938, in order to negotiate successfully with the United States, both Canada and the United Kingdom waived rights to certain preferential margins which were bound in the Canada-United Kingdom Agreement of 1937. At Geneva in 1947 Canada and the United Kingdom modified their existing agreement by an exchange of letters providing for the unbinding of all preferential margins, some of which have been eliminated or modified as a result of negotiations under the GATT.

—W. LAVOIE
*International Trade Relations Branch.*

# trade and tariff regulations

## Australia

COMMONWEALTH TARIFF BOARD—The Australian Minister of Trade and Customs has requested the Commonwealth Tariff Board to determine whether assistance should be afforded the Australian production of the following goods and, if so, the nature and extent of such assistance.

- Front axle assemblies of the I beam type and some specified parts, front and rear hubs and brake drums, whether imported into Australia separately or otherwise; and
- Asbestos fibre.

Under Tariff Board procedures Canadian firms, or their representatives in Australia, would be permitted to submit briefs expressing their interest in these inquiries.

## Bahamas and British Guiana

IMPORT LICENSING ANNOUNCEMENT—The Control Authorities in the Bahamas and British Guiana announced on February 8th that importers in those colonies are not required to obtain licences to import the following items:

Onions
Potatoes
Split peas
Dried, smoked, pickled and salted fish
Canned fish
Meat
Powdered and canned milk
Cheese
Animal feedingstuffs
Newsprint
Kraft paper

British Guiana excludes coconut meal, cotton seed meal, wheat, wheat flour and poultry feeds from animal feedingstuffs, and adds butter to the list of items which may be imported without licence.

## Belgium

SMALL SHIPMENTS OF ADVERTISING MATTER DUTY-FREE—Effective January 1, 1954, single copies of catalogues, price lists and commercial notices showing the name of the foreign firm, in shipments weighing up to one kilogram (about 2 pounds) gross, are admitted into Belgium duty-fr Advertising printed matter in general, however, dutiable—Brussels, Jan. 19.

*This provision is the result of a decree of Decemb 16, 1953, empowering the competent Benelux Min ters to admit certain kinds of advertising mat duty-free under conditions which they shall dete mine, as reported in Foreign Trade of January 1954.*

## British Honduras

IMPORT LICENSING ANNOUNCEMENT—T Control Authority in British Honduras announc on February 13th that it will authorize the import the following items from Canada and other specifi dollar countries:

Meats
Fish, canned, dried, smoked, pickled and salted
Onions
Potatoes
Split peas
Cheese
Powdered milk and other canned milk
Animal feedingstuffs
Newsprint
Kraft paper

At the time of importation the importer must pr duce a certificate of origin in prescribed form.
All invoices, together with bill of lading and certi cate of origin, have to be presented to the compete authority for the approval of exchange and relea from Customs.

## Greece

TARIFF ON ARTIFICIAL AND SYNTHET FIBRES REVISED—Effective January 11, Gre customs duties on artificial and synthetic text fibres and manufactures of these fibres have be revised in conjunction with the introduction of a n tariff chapter covering these products. In the pa they have been dutiable as commodities made cotton. The new duties are somewhat higher than those applying to similar articles made of cotton.

At the same time, the Greek luxury tax on these products has been reduced, amounting to 22 per cent of the duty-paid landed value on pure long fibre manufactures and to lesser amounts on short fibre manufactures and on articles of certain mixed textiles containing fibres—Athens, Feb. 15.

*Information concerning the new rates of duty and luxury tax may be obtained from the International Trade Relations Branch of the Department.*

MARKING OF TEXTILES—All textiles imported into Greece now must have legibly stamped upon or woven into the selvage the name of the manufacturer, the country, and the yarn materials—all in the language of the country of origin. Percentages showing the relative proportion of mixed yarns are not required. These stampings or weavings must be repeated at suitable intervals but the spacing is not specified. The same regulation will apply to textiles manufactured locally—Athens, Feb. 16.

*Recipients of the leaflet "Greece—Shipping Documents and Customs Regulations", compiled by the International Trade Relations Branch of the Department, may wish to note this provision on page four, paragraph one, of the leaflet.*

### Lebanon

GOODS SUBJECT TO PRIOR IMPORT LICENCE—A number of items have been added recently to the ist of articles subject to prior import licence. The following list brings up-to-date information pubished in *Foreign Trade* of February 21, 1953.

Throughout most of 1953 importers did not experience difficulty in securing import licences for the majority of goods affected, but in recent months the granting of licences has come under closer scrutiny. For some commodities, an informal quota system has been introduced. Canadian exporters accustomed to selling on "payment against documents" or more iberal terms are advised to make sure that a licence has been granted before shipping goods.

For commodities not affected, import procedure remains as before—that is, import licences are granted freely at the time the goods arrive.

The revised list of commodities is as follows:

Wheat flour.
Animal fats, vegetable butter, oils, fatty acids, soap oils, clothes washing preparations in powder. (Castor oil is excepted).
Confectionery.
Chocolate and articles made therefrom.
Alimentary pastes.
Biscuits.
Jams, jellies, juices and syrups, preserved fruits and candied peel.
Beer.
Wines (except luxury wines including champagne).
Ethyl alcohol.
Edible vinegar.
Rubber soles and heels for footwear.
Wooden boxes for fruit packing.
Wooden and metal furniture and wooden and metal parts for buildings.
Wooden statues.
Cardboard.
Cigarette papers.
Yarns of natural silk, floss silk, and waste silk prepared for retail sale.
Crepes, georgettes and satins.
Second-hand clothing.
Footwear and prepared parts thereof.
Methanol (except for use in aircraft).
Oil paints.
Soap of certain kinds.
Matches.
Morocco goods and leather travelling requisites.
Tubes, pipes and stoves of cast iron.
Locks and padlocks.
Imitation jewellery.
Industrial machines for the establishment of factories, etc., of which the like already exists.
Taps and cocks.
Toys.

—G. F. G. HUGHES
*Trade Commissioner, Beirut.*

## Data for Exporters

*The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Austria, Belgium, Belgian Congo, Brazil, Chile, Colombia, Cuba, Denmark, Dominican Republic, Egypt, Finland, France, Western Germany, Greece, Guatemala, Haiti, Iceland, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland and Venezuela.*

*If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.*

*The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.*

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·03492.

# foreign exchange rates

| Country | Unit | Type of Exchange | Canadian dollar equiv. March 5 | Notes (See below) |
|---|---|---|---|---|
| Argentina | Peso | Preferential buying | ·1288 | |
| | | Basic buying | ·1932 | |
| | | Preferential selling | ·1932 | (1) |
| | | Basic selling | ·1288 | |
| | | Free | ·06955 | |
| Austria | Schilling | | ·03716 | |
| Australia | Pound | | 2·1755 | |
| Belgium Luxembourg & Belgian Dependencies | Franc | | ·01933 | |
| Bolivia | Boliviano | Official | ·00509 | |
| British West Indies | Dollar | | ·5665 | (3) |
| | Pound | | 2·7194 | (4) |
| | Dollar | Brit. Honduras | ·6798 | |
| Brazil | Cruzeiro | Official selling | ·05134 | tax 8% |
| | | Effective buying | ·03407 | (2) |
| | | Coffee buying | ·04136 | (5) |
| Burma | Kyat | | ·2029 | |
| Ceylon | Rupee | | ·2040 | |
| Chile | Peso | Official | ·00878 | (1) |
| Colombia | Peso | Basic | ·3865 | |
| Costa Rica | Colon | Official | ·1721 | (6) |
| | | Controlled free | ·1455 | |
| Cuba | Peso | | ·9662 | tax 2% |
| Czechoslovakia | Koruna | | ·1342 | |
| Denmark | Krone | | ·1399 | |
| Dominican Republic | Peso | | ·9662 | |
| Ecuador | Sucre | Official | ·06442 | |
| | | Free | ·05569 | |
| Egypt | Pound | | 2·7746 | |
| Fiji | Pound | | 2·4499 | |
| Finland | Markka | | ·00420 | |
| France | Franc | | ·00276 | (7) |
| French Africa | Franc | | ·00553 | (8) |
| French Pacific | Franc | | ·01520 | (9) |
| Germany | D Mark | | ·2301 | |
| Greece | Drachma | | ·000032 | |
| Guatemala | Quetzal | | ·9662 | |
| Haiti | Gourde | | ·1932 | |
| Honduras | Lempira | | ·4831 | |
| Hong Kong | Dollar | Free | ·1644 | *Feb. 26 |
| Iceland | Krona | Official | ·05933 | |
| | | Special buying | ·04568 | |
| | | Special selling | ·03680 | |
| India | Rupee | | ·2040 | |
| Indonesia | Rupiah | Basic | ·08476 | (10) |
| Iran | Rial | Certificate | ·01071 | |
| Iraq | Dinar | | 2·7055 | |

---

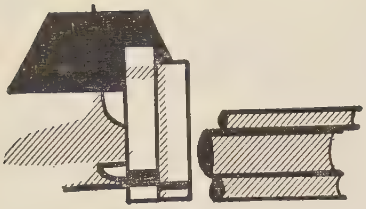
* Latest available quotation date.

| Country | Unit | Type of Exchange | Canadian dollar equiv. March 5 | Notes (See below) |
|---|---|---|---|---|
| Ireland | Pound | | 2·7194 | |
| Israel | Pound | Effective basic | ·9662 | |
| | | Premium | ·5368 | |
| Italy | Lira | | ·00155 | |
| Japan | Yen | | ·00268 | |
| Lebanon | Pound | Free | ·3003 | |
| Mexico | Peso | | ·1117 | |
| Netherlands | Guilder | | ·2552 | |
| Netherlands Antilles | Guilder | | ·5124 | |
| New Zealand | Pound | | 2·7194 | |
| Nicaragua | Cordoba | Effective buying | ·1464 | (11) |
| | | Official selling | ·1370 | |
| | | With Surcharge I | ·1200 | |
| | | With Surcharge II | ·09614 | |
| Norway | Krone | | ·1353 | |
| Pakistan | Rupee | | ·2920 | |
| Panama | Balboa | | ·9662 | |
| Paraguay | Guarani | Basic | ·06442 | (1) |
| | | With Surcharge I | ·04601 | |
| | | With Surcharge II | ·03220 | (12) |
| Peru | Sol | Certificate | ·05240 | |
| Philippines | Peso | | ·4831 | tax 17% (2) |
| Portugal | Escudo | | ·03372 | (13) |
| El Salvador | Colon | | ·3865 | |
| Singapore & Malaya | Straits dollar | | ·3173 | |
| South Africa (Union of) | Pound | | 2·7194 | |
| Spain & Dependencies | Peseta | Basic buying | ·04412 | |
| | | Basic selling | ·08611 | |
| | | Basic commercial selling | ·05883 | (1) |
| | | Free | ·02481 | |
| Sweden | Krona | | ·1868 | |
| Switzerland | Franc | | ·2253 | |
| Syria | Pound | Free | ·2700 | *Feb. 15 |
| Thailand | Baht | Official | ·07730 | (1) |
| | | Free | ·04595 | *Jan. 29 |
| Turkey | Lira | | ·3451 | |
| United Kingdom | Pound | | 2·7194 | |
| United States | Dollar | | ·9662 | |
| Uruguay | Peso | Official | ·6361 | |
| | | Basic buying | ·5428 | |
| | | Special buying | ·4111 | (1) |
| | | Basic selling | ·5085 | |
| | | Special selling | ·3943 | |
| Venezuela | Bolivar | | ·2884 | (14) |
| Yugoslavia | Dinar | | ·00322 | |

* Latest available quotation date.

# notes

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only; certain essential imports exempt.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Brazil: Effective import rate is official rate plus free certificate rate. Certificate rate varies according to commodity.
6. Costa Rica: Official rate applies to all Costa Rican exports.
7. Metropolitan France, Algeria, Tunisia, Morocco, French Guiana, Guadeloupe, Martinique.
8. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
9. New Caledonia, New Hebrides, Oceania.
10. Indonesia: Basic rate applies to all exports and essential imports. Rupiah value for other than essential imports is reduced by 33⅓ per cent, 100 per cent or 200 per cent depending on product.
11. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
12. Paraguay: Basic rate applies to most Paraguayan exports.
13. Approximately same rate for currencies of Portuguese Territories in Africa.
14. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.



# businessman's bookshelf

### Development and Welfare in the West Indies, 1952

*By Sir George Seel, K.C.M.G. 104 pages. $1.00.*

THIS REPORT by the Comptroller for Development and Welfare in the West Indies records briefly the successes and the disappointments in the affairs of the British Caribbean territories during 1952.

Although the progress made in the past few years was maintained in '52, Sir George reports that the governments of these islands are concerned about their financial situation. "It is evident", he says, "that those responsible for government in the British West Indies are being brought face to face with the fundamental question how far these territories, with their limited resources and their ever-increasing populations, can hope by themselves to maintain services of the extent and standards to which large industrial communities have become accustomed." The Comptroller discusses, in his introduction, the measures which have been suggested to help overcome the problem.

In separate chapters the report reviews the West Indies economic background; agriculture, livestock, forestry and fisheries; education; social welfare; building development; labour; public works; public relations; vital statistics, and training schemes. The appendices include tables listing expenditures on various projects and schemes, and the use made of grants and loans.

*Order from: United Kingdom Information Office, 275 Albert St., Ottawa.*

### Meet India and Pakistan

*The Mercantile Bank of Canada. 21 pages. Free.*

TO ANSWER in just over 20 pages many of the questions which the businessman or prospective traveller asks about these two countries represents a real accomplishment. The authors of this booklet deal succinctly with currency and exchange, th resources of each country, production, and trad patterns and policy. Canada's trade with both Indi and Pakistan receives special attention.

*Order from: The Mercantile Bank of Canad 255 St. James Street W., Montreal, Quebec.*

### Company Formation in Australia

*Australia and New Zealand Bank Limited. 60 page Free.*

THIS BOOKLET should serve as a useful gui to businessmen contemplating the setting-up of company in Australia. The authors set out concisel the regulations governing the more usual forms o incorporation in Australia, and examine closely th income tax laws (as of January 1954) which appl to each form. Other legislation affecting business reviewed briefly. Because the laws governing th establishment and carrying on of business large come under the State Governments, the State Victoria is used as a representative example but a appendix points out any material variations fro state to state.

*Order from: Australia and New Zealand Ban Limited, 71 Cornhill, London E. C. 3, England.*

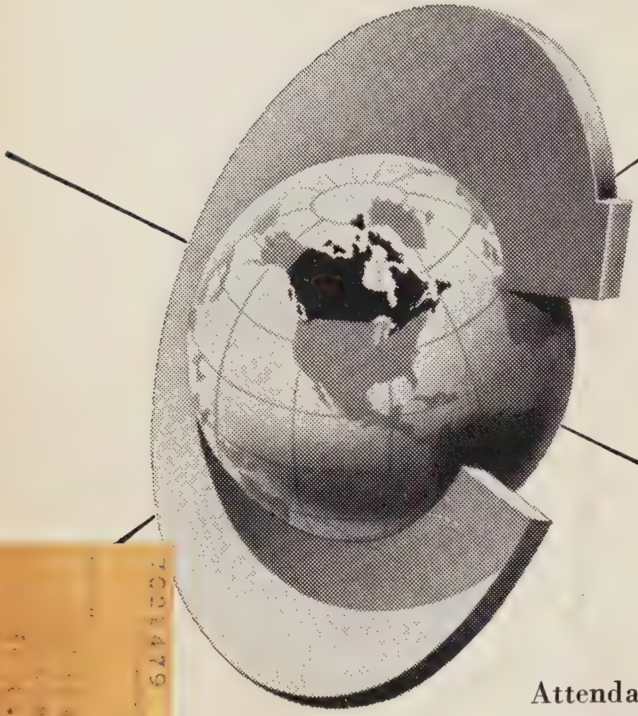
### Year Book and Guide to Southern Africa

*Edited by A. Gordon-Brown. 858 pages pl appendix. $3.00.*

PRODUCED ANNUALLY by the 100-year-o Union-Castle Mail Steamship Co. Ltd., this year bo contains a wealth of detail on the Union, t Rhodesias, and four other territories. The sectio on the history, development, finance, trade and com munications of each area make this a useful referen work. For the prospective traveller, it gives detail motor routes throughout Southern Africa, plus pages of maps in an appendix. Trade figures a complete to the end of 1952.

*Order from: H. W. Wilson Co., 950-972 Unive sity Avenue, New York 52, N.Y.*

# *A trip to the Trade Fair is a business trip around the World*



because it's the

## CROSSROADS OF WORLD TRADE

Attendance at the Trade Fair is carefully registered. The records show that an increasing number of important Canadian, United States and overseas firms find it good business to send from two to twelve of their top men to the Fair.

Bring along your management and technical men to meet the key men in their respective industries. You will see competitive products from across Canada and from nearly 30 foreign countries exhibited in one show. Come to compare and buy or come to look, but be sure to come. For information write to the Administrator, Canadian International Trade Fair, Exhibition Park, Toronto 2-B, Ontario.

7C21479
[illegible] PUBLIC LIBRARY,
[illegible] DEPT., 12-53
[illegible] WASHINGTON ST.,
[illegible] ILL., USA.
[illegible] W.S-80-

**everyone can profit from the TRADE FAIR**

1954

## 7th Annual CANADIAN International TRADE FAIR

**TORONTO**
**MAY 31 · JUNE 11**
**1954**

OPERATED BY THE GOVERNMENT OF CANADA TO PROMOTE YOUR BUSINESS

APRIL 3, 1954

# foreign trade

A LOOK at CANADA-UNITED STATES TRADE

2 A Look at Canada-United States Trade
5 How's Business in Italy?
7 Argentina: the Picture Brightens
9 Gateways to the Pacific
10 Assignment in Milan
11 Fairs and Exhibitions
13 The Danish Farmer and His Markets
15 Trinidad Grows Citrus Fruit
17 Colombia as a Market for Wheat and Flour
18 Trade Commissioners on Tour
19 Commodity Notes
21 Trading with British West Africa
23 General Notes
25 Postings in the Service
26 Thailand Imposes Import Controls
27 Trade and Tariff Regulations
29 Foreign Trade Service Abroad
34 Foreign Exchange Rates
36 Transportation Notes

ANADA

# foreign trade

Established in 1904

Published fortnightly by the Department of Trade and Commerce.
The Right Honourable C. D. HOWE, Minister,
WM. FREDERICK BULL, Deputy Minister.

OTTAWA, APRIL 3, 1954, Vol. 101, No. 5

Please forward all subscriptions and orders to:
The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad.
Single copies: 20 cents each.

Material appearing in this magazine may be freely reprinted, preferably giving credit to "Foreign Trade"

**cover** In the great nickel refinery at Copper Cliff, streams of molten metal pour from the ladle onto high pressure jets of water and the nickel shot falls into a water-filled pit. Nickel commonly ranks fourth among Canadian exports to the United States. For an analysis of Canada's trade with her great southern neighbour, please turn to page two.

—Photo by International Nickel

# A Look at Canada-United States Trade

*Canada is at once the leading source of imports into the U.S. and the main market for U.S. products. This analysis of the trade figures, prewar and postwar, reveals certain interesting trends in this two-way trade.*

R. G. C. SMITH, *Commercial Counsellor, Washington.*

FOR MANY YEARS the volume of trade between Canada and the United States has been held up as an example of what international trade should be. Operating under uniquely advantageous conditions, the complementary nature of each country's economy has tended to remove friction and to stimulate a flow across the border in both directions in an ever-increasing volume, despite tariffs, quotas, and other artificial barriers to trade. In spite of the growing industrialization of Canada (and therefore less complementary nature of its economy vis-à-vis that of the United States) both countries have come to depend more and more on trade with the other. These trends have been intensified by the growing scarcity of raw materials in the United States, which has been matched by an extraordinary mining development in Canada, and by the isolation of the dollar which has made it increasingly difficult to trade in other areas.

A look back into the trade statistics of the United States will show that, although the trade has been seriously affected by economic conditions, the share of the total trade with Canada has gone steadily forward almost without interruption, and that this share has increased most remarkably in the postwar period, when currency difficulties and problems of reconstruction in the rest of the world have drastically hindered the normal flow of international trade.

### Canada Is Main Trading Partner

At the present time Canada is by far the greatest source of supply to the United States and is, similarly, the principal customer of the United States. In fact, imports from Canada now exceed the value of total imports from all of South America and, at the same time, exports to Canada very greatly exceed the exports to all of South America. Whereas in imports Canada has for many years been the principal source of supply, our pre-eminence in the field of exports is a postwar development. Before the war the United Kingdom took considerably more exports from the United States than did Canada, but at the present time this situation has been reversed. The relative importance of Canada's position in the import and export trade with the United States, compared with South America and the United Kingdom, is given in Table I.

**Table I**

| | South America | | United Kingdom<br>(millions of dollars) | | Canada | |
|---|---|---|---|---|---|---|
| | Imports | Exports | Imports | Exports | Imports | Export |
| 1926-30 average | 546 | 448 | 326 | 837 | 469 | 819 |
| 1936-40 " | 338 | 317 | 165 | 603 | 359 | 513 |
| 1953 | 2,362 | 1,520 | 542 | 589 | 2,455 | 2,943 |

Table II shows the import and export trade with Canada going back over a number of years.

**Table II**

| | Imports<br>from Canada | Total | Exports<br>to Canada | Tota |
|---|---|---|---|---|
| | (millions of | | dollars) | |
| 1925-29 average | 479 | 4,266 | 817 | 4,99 |
| 1930-34 " | 252 | 1,915 | 362 | 2,33 |
| 1935-39 " | 332 | 2,366 | 435 | 2,87 |
| 1946-49 " | 1,270 | 6,097 | 1,842 | 12,20 |
| 1950 | 1,957 | 8,743 | 1,997 | 10,27 |
| 1951 | 2,265 | 10,813 | 2,587 | 15,02 |
| 1952 | 2,368 | 10,747 | 2,784 | 15,19 |
| 1953 | 2,455 | 10,777 | 2,943 | 15,74 |

Percentage-wise the table is more interesting. It will b found that in imports the share provided by Canad started at 11 per cent during the 1925-29 period o prosperity unlimited, went to 13 per cent during th next bleak five years, struggled upwards to 14 per cen in the five prewar years, and marched forward from 1 per cent in 1946 to 23 per cent in 1953.

At first glance, the picture of exports to Canada is nc so spectacular. Here the pattern is not as uniform and the averages hide considerable fluctuation withi each period. Starting with about 15 per cent of th total in the first period, exports to Canada fell slightl to average just over 14 per cent in the next five years but came back to 18 per cent before the war. Sinc the war the percentage of total exports has risen fron 15 per cent in 1946 to 19 per cent in 1953.

However, the postwar period is misleading since th figures given include commodities supplied as economi assistance and grants in aid (military assistance as en items). If these figures are deducted from total export it will be found that the present share of total comme cial exports taken by Canada is about 26 per cent.

It is impossible to arrive at exact figures of total United States commercial exports because the statistics have not been compiled in such a way as to give an exact accounting. However, the following figures are sufficiently accurate to indicate the growing importance to the U.S. of Canada as an export market that requires no artificial stimulant. (The aid figures do not indicate the total value of U.S. aid but represent the value of exports from the U.S. paid for out of aid funds.)

The column of commercial exports does not include economic aid to Latin America, Africa, and South Asia. These figures are not broken out in such a form that they can be deducted from the total. However, most of the aid to these areas has not been in commodities, so that the totals given in the table would not be materially reduced by "free" exports to these areas.

### Table III

| *Year* | *Canadian Percentage of Commercial Exports* | *Commercial Exports* | *Military Aid End Items* | *Economic Aid in Commodities* | *Total U.S. Exports* |
|---|---|---|---|---|---|
| | | *(millions of dollars)* | | | |
| 1948 | 16 | 12,029 | ........ | 586 | 12,615 |
| 1949 | 20 | 9,504 | ........ | 2,547 | 12,051 |
| 1950 | 25 | 8,079 | 282 | 1,914 | 10,275 |
| 1951 | 21 | 12,448 | 1,054 | 1,480 | 15,022 |
| 1952 | 23 | 12,226 | 1,988 | 977 | 15,191 |
| 1953 | 26 | 11,449 | 3,504 | 794 | 15,747 |

## Trade Balance Favourable to U.S.

On balance, therefore, this growth of trade has been of great benefit to both countries. If the prewar period showed a greater proportionate intake from Canada when compared with a slower expansion of exports to Canada, this was not unhealthy because of the overall considerable balance in favour of the United States. This balance of trade favourable to the United States continues in these prosperous years, and is likely to continue for some time. It is, of course, counterbalanced by the phenomenal inflow of U.S. capital to Canada which, in turn, benefits by and is partly responsible for the imports into the United States.

t may be of interest to set out the balance of trade over the years and express the constantly unfavourable balance as a percentage of the gross national product of Canada.

## mportance of Convertibility

Table IV indicates that the passive balance of trade n recent years has improved when compared with he prewar years. It will be seen that, in spite of a noticeable rise in the last three years, it is not ncreasing at a rate much faster than the economic rowth of the country. That the expanding economy ould support this chronic unbalance is explained by ctive balances with the rest of the world during the prewar years plus a substantial inflow of U.S. capital into Canada, and, in the postwar period, by a phenomenal inflow of dollar capital when currency regionalism has prevented the traditional triangular basis for Canadian foreign trade from operating, i.e., Canada-U.S.-sterling area.

### Table IV

| *Year* | *Canadian G.N.P.* | *Balance of Trade* | *Percentage of Canadian G.N.P.* |
|---|---|---|---|
| | *(millions of dollars)* | | |
| 1925-29 average | 5,800 | —340 | 5·9 |
| 1930-34 " | 4,300 | —110 | 2·6 |
| 1935-39 " | 5,060 | — 98 | 1·9 |
| 1946-49 " | 14,475 | —573 | 4·0 |
| 1950 | 18,200 | — 40 | ·2 |
| 1951 | 21,450 | —322 | 1·5 |
| 1952 | 23,000 | —416 | 1·8 |
| 1953 | 24,000 | —488 | 2·0 |

The position may be illustrated mathematically by Table V. It does not attempt to strike a complete balance of payments, but it does illustrate the vulnerability that has arisen out of the non-convertibility of world currencies.

Thus, the Canadian position is more than usually vulnerable to fluctuations in the U.S. economy. Should there be any check to dollar investment in Canada, the excess exports over imports would impose an intolerable burden on the Canadian economy unless it were to be alleviated by a return to convertibility of sterling and other currencies.

## Increase in Trade

Although Canadian imports into the U.S. have increased both in value and in share of the total, this increase cannot be said to have been at a rate incommensurate with the growth of the U.S. economy. For

### Table V

| *Year* | *Unfavourable Balance of Trade* | *Increase in U.S. Investment* | *Favourable Balance with Rest of World* |
|---|---|---|---|
| | *(millions of dollars)* | | |
| 1925-29 total | 1,700 | 1,464 | 2,124 |
| 1930-39 " | 1,040 | — 509 | 2,345 |
| 1946-49 " | 2,292 | 915 | not applicable |
| 1950 | 40 | 660 | not applicable |
| 1951 | 322 | 738 | not applicable |
| 1952 | 416 | 697 | not applicable |
| 1953 | 488 | 405 | not applicable |

example, Canadian imports in the period 1925-29 were about ·49 per cent of the United States GNP. Under the combined assault of the depression and the Hawley-Smoot tariff (1930), this dropped to an average of about ·36 per cent. It came up to just less than ·4 per cent during the next five years before the war, then after the war climbed steadily to about ·68 per cent of the GNP over the past three years.

### Table VI

| | 1935-39 *Average* | 1949 | 1950 | 1951 | 1952 | 1953 *Dec.-Nov.* |
|---|---|---|---|---|---|---|
| Total imports from Canada | 330 | 1,510 | 1,957 | 2,265 | 2,368 | 2,243 |
| | % | % | % | % | % | % |
| Animals and animal products, edible | 10 | 10 | 10 | 9 | 5 | 6 |
| Animals and animal products, inedible | 4 | 3 | 3 | 3 | 2 | 1 |
| Vegetable food products and beverages | 17 | 9 | 8 | 10 | 12 | 11 |
| Vegetable products, inedible, except fibres and wood | ·6 | 2 | 1 | 1 | 1 | 1 |
| Textile fibres and manufactures | ·6 | 1 | 1 | 1 | 1 | 1 |
| Wood and paper | 47 | 46 | 49 | 48 | 46 | 45 |
| Non-metallic minerals | 4 | 3 | 4 | 4 | 4 | 4 |
| Metals and manufactures, except machinery and vehicles | 10 | 14 | 15 | 13 | 16 | 18 |
| Machinery and vehicles | 1 | 6 | 5 | 6 | 7 | 5 |
| Chemicals and related products | 3 | 3 | 3 | 3 | 3 | 4 |
| Miscellaneous | 4 | 3 | 3 | 3 | 3 | 3 |

On the other hand, exports to Canada have failed to reach the share of the GNP held during the dizzy twenties. In 1929, exports to Canada were ·91 per cent of the United States GNP. This figure crashed dismally in the subsequent depression to a low of ·38 per cent in 1933, to climb upwards to a prewar high of ·56 per cent in 1937. Since the war the figure has improved to about ·80 per cent during the past three years.

## Imports Concentrated

The import trade from Canada is concentrated in relatively few items. Nor has the pattern greatly changed in recent years, except for the increasing importance of the trade in machinery, metals, and their manufactures at the expense of farm products. Table VI shows the trade broken down into main groups by percentage of total imports from Canada in the postwar period compared with the prewar period.

A more detailed analysis of the imports illustrates the preponderance of a few items. As Table IV shows, there has been little change in the make-up of the imports from Canada since the war, and within the main groups there is, similarly, little change in individual items. The preponderance of newsprint is illustrated by the following percentages of total imports from Canada by the major items imported during 1952 (the last year for which complete figures are available): newsprint, 23 per cent; pulp and pulpwood, 12 per cent; saw-mill products, 8 per cent; grains and preparations, 7 per cent, (mostly feed wheat, oats and barley); nickel, 4 per cent; agricultural machinery, 4 per cent; fish, 4 per cent; zinc, 2·5 per cent; asbestos, 2 per cent; whisky, 2 per cent; manufactures of wood, 2 per cent, (includes shingles, ·8 per cent).

### Table VII

| | 1935-39 *Average* | 1949 | 1950 | 1951 | 1952 | 1953 *Jan.-Oct.* |
|---|---|---|---|---|---|---|
| | *(millions of dollars)* | | | | | |
| Total exports to Canada | 418 | 1,888 | 1,948 | 2,516 | 2,710 | 2,508 |
| | % | % | % | % | % | % |
| Animals and animal products, edible | 1 | ·5 | 1 | 1 | ·5 | 1 |
| Animals and animal products, inedible | 2 | 1 | 1 | 1 | 1 | 1 |
| Vegetable food products and beverages | 9 | 6 | 7 | 5 | 6 | 5 |
| Vegetable products, inedible, except fibres and wood | 2 | 2 | 3 | 3 | 3 | 2 |
| Textile fibres and manufactures | 6 | 6 | 7 | 8 | 7 | 6 |
| Wood and paper | 3 | 2 | 2 | 1 | 2 | 3 |
| Non-metallic minerals | 28 | 22 | 24 | 19 | 18 | 16 |
| Metals and manufactures, except machinery and vehicles | 11 | 12 | 11 | 13 | 13 | 12 |
| Machinery and vehicles | 26 | 34 | 31 | 35 | 37 | 41 |
| Chemicals and related products | 5 | 6 | 6 | 6 | 6 | 6 |
| Miscellaneous | 6 | 7 | 7 | 6 | 6 | 7 |

These few items, or groups of items, account for abou 70 per cent of the imports from Canada. It will be noticed that they are the traditional items and, apar from agricultural machinery, they do not include man detailed manufactured products. There is, of course some movement of other manufactured products, bu the trend in this direction is making no really significant advance. There is no doubt that an outlet in th United States for the products of Canada's growin manufacturing industry is most desirable. But ther are certain difficulties to be overcome, such as dutie which are frequently high, complicated and uncertai customs procedures, and competition from U.S. mas production. Overcoming these difficulties require ingenuity, efficiency and persistence. In these circumstances, it is not surprising that Canadian goods whic supplement United States production have shown th greatest increase in sales in the American market.

## Exports to Canada Diversified

In the case of United States exports to Canada, ther is no one single item that dominates the trade. Ther has been a most significant growth in the group c manufactures, largely at the expense of non-metalli minerals (fuels), although food products have als declined since before the war. These trends are show in Table VII which again shows the percentages c main groups of commodities exported to Canada. ●

# How's Business in Italy?

*The first nine months of 1953 brought a general gain in industrial production and good crops, but many major economic problems, such as the unfavourable trade balance, await solution.*

A. A. CARON, *Assistant Commercial Secretary, Rome.*

BUSINESS CONDITIONS IN ITALY during the first nine months of 1953 improved slightly, but the country's major economic problems still await a permanent solution. The deficit on the trade balance remains serious, although it is not as large as in 1952. The deficit on Italian trade with Canada for these nine months was approximately 50 per cent smaller than for the same months in 1952. Also on the brighter side, production in most industries increased because of greater domestic consumption and larger exports, and agricultural output on the whole was very satisfactory.

## Industrial Production

Industrial production for the first nine months of 1953 increased by 10 per cent compared with the same period of 1952, and it is expected that the twelve-month figure will be even higher. The increases in individual industries, compared with 1952, were: mining, 29·6 per cent; textiles, 11·6 per cent; chemicals, 18·2 per cent; non-metallic ore processing, 16·7 per cent; rubber, 12·8 per cent, and food, 1·3 per cent. Output of the metal industries dropped by 4 per cent.

Though there was a general gain in industrial production figures, a true appreciation of the Italian economic situation must take into consideration the gap between the labour force and the jobs available. It was evident at the end of the year that the unemployment problem was still a major one. Ten thousand workers have been dismissed during the last few months by textile, steel, mechanical and mining companies, the greatest number of dismissals taking place in state-controlled organizations. Moreover, working hours in many plants have been drastically reduced. This wave of dismissals continues the process of gradual demobilization of industry, begun in 1948 to bring the inflated wartime economy back to peacetime conditions.

## Agricultural Production

The 1953 agricultural year closed on an optimistic note and fulfilled the hopes aroused in earlier months by the excellent wheat crop. Both the wheat and maize crops were larger and higher milk prices made it a good year for dairy farmers. Livestock producers, however, faced marketing difficulties and low wholesale prices for both livestock and meat. The successful agricultural year was the result of exceptionally good weather and the absence of disasters such as storms, plant and animal diseases and insect pests. Another factor was the extensive adoption of better technical methods and the wider use of fertilizers and machinery. Compared with the 3,167 new tractors registered in 1949, 14,797 were in use in 1952 and 15,765 in the first nine months of 1953.

## Trade Trends

Italy's trade balance continues to be unfavourable but the figures published by the Istituto Centrale di Statistica for the first nine months of 1953 show a certain improvement, the result both of an increase in exports and of a drop in imports. The value of exports was 22,270 million lire (or 3·5 per cent) higher than for the same period of 1952. The trade deficit amounted to 449,400 million lire, compared with 459,200 million lire in 1952. It is expected that the deficit for the whole of 1953 will total 560,000 million lire, slightly less than in 1952 when it stood at 582,000 million lire.

Exports of packed meat, fresh fruits and vegetables, olive oil, pure and mixed wool fabrics, artificial and synthetic textile fibres, yarns and fabrics, raw and processed marble increased; imports of fresh and frozen meat, wheat and flour, raw cotton, sundry metal ores, metal engineering products, coal and textile cellulose decreased.

Italy's balance of payments with the countries of the European Payments Union is still critical, with the deficit running at about $1 million a day. This deficit is largely the result of the import restrictions adopted by the United Kingdom and France when Italy liberalized its imports from the EPU area to the extent of 98 per cent.

Smaller imports of wheat, cotton and machinery have improved Italy's position with the dollar area; its exports to that area have increased moderately and this trend is expected to continue.

According to the figures published by the Istituto Centrale di Statistica, Italy bought less from Canada in the first nine months of 1953 than in the same period of 1952, but her sales to Canada were higher. The following table gives the trade figures for 1952 and '53.

### Italian Trade with Canada

| | *Jan.-Sept. 1952* | *Jan.-Sept. 1953* |
|---|---|---|
| | (in million lire) | |
| Imports from Canada | 25,937·7 | 16,080·9 |
| Exports to Canada | 4,040·8 | 5,715·3 |
| Deficit | 21,896·9 | 10,365·6 |

The more important decreases were in wheat and flour because of an excellent domestic wheat crop, and in wood pulp and paper manufacturing, rayon cellulose and chemical products. On the other hand, Italy imported larger quantities of Canadian metals such as steel, nickel and copper.

Dried fruits, cheese, woollen textiles, handicraft products and essential oils were the principal Italian exports to Canada chalking up increased sales in the first nine months of 1953.

### The Outlook

Opinions on Italy's business outlook for 1954 differ, largely because of the uncertain political situation. It is anticipated that American aid will be greater in 1954 and will come mostly from offshore procurement orders which will stimulate industrial production. Some orders have already been placed for ships, ammunition, aircraft and electronic equipment. However, a lasting improvement in economic conditions depends to a large degree on the success of the industrialization program and on an improvement in the balance of trade.

Recently, certain measures were adopted which indicate the trend of trade policy.

- Parliament has approved a bill on the insurance and financing of credits arising out of exports which should make it easier for Italian exporters to face the keener competition in international markets.

- In an endeavour to close the dollar gap resulting from its trade deficit with the EPU, Italy has chosen to reduce its imports from the dollar area rather than those from EPU countries.

- It is expected that Italy will change its liberalization policy if the restrictions adopted by some EPU countries affect to a still greater extent its exports to those countries, and that it will follow a line more in keeping with the policies of certain other countries, particularly Great Britain, France and Western Germany, whose trade means most to the Italian economy. ●

*This photograph shows the M/V "Asia" coming in to the San Marco docks in Venice. In the background to the left is th Piazza San Marco, with the round domes of the Church of San Marco visible. In addition to being a top-ranking touris attraction, the city of Venice is also a busy trading centre.*

# ARGENTINA: the Picture Brightens

C. S. BISSETT,
*Commercial Counsellor, Buenos Aires.*

*Good crops in 1953 and rising cereal exports helped Argentina achieve its first favourable trade balance since 1950. Imports continue to be restricted to essentials and prospects for larger dollar purchases remain doubtful.*

DURING THE PAST SIX MONTHS, the Argentine economy has continued to improve—an improvement that began following the low point at the end of 1952. However, the country has not yet regained its normal economic level nor can this be expected until 1956, even with continued good crops. Nevertheless, 1953 saw greater progress than was expected at the beginning of the year. Inflation and the rise in the cost of living were checked; industry had no labour troubles; the agro-pastoral industries were moderately prosperous; internal revenue, bank clearings, deposits and savings all increased; gold and foreign exchange holdings rose considerably, and a favourable balance of trade was recorded. The last two developments, however, were the result of import restrictions in force during the entire year.

## Exports Increase

Ideal growing weather in 1952 produced excellent pasturage for livestock and relatively heavy year-end and early 1953 crops. The ravages of drought and the consequent need to re-stock made it difficult for the cattle industry to fulfil its export commitments under existing treaties. However, by squeezing the domestic market and extending the time, these commitments may still be met. A greater tonnage of cereals was shipped than in any year since 1948. Both of these factors contributed to a substantial favourable trade balance of 2,115 million pesos at September 30, compared with unfavourable balances for both the whole of 1952 and 1951 of some 3,410 million and 2,115 million pesos respectively. It was, in fact, Argentina's first favourable balance since 1950. The above figures how the real balances—that is, compensated for the everal different exchange rates in force as between xports and imports. Indications are that the year-end avourable balance will be about 2,000 million pesos.

According to *Business Conditions in Argentina,* total xports for January-September were valued at 5,507 million pesos, 85·7 per cent above the figure for the ame period in 1952. Imports, at 3,952·3 million, were 44 per cent less than for the corresponding period ast year. When compensated, the difference between hese two values gives the above true trade balance.

Although the 1952-3 crops were excellent, the heavy unfavourable trade balance of 1951-52 made it necessary to curtail imports severely in 1953 until some dependable indication of the probable 1953-54 crop was obtained. Monthly imports in 1952 averaged some 700 million pesos; for January-September 1953 they averaged only some 440 million. It was not until late in the year that the Central Bank felt free to grant exchange permits for other than the most essential products. This relaxation was based on the excellent prospects for the coming crop and the good progress made by the livestock industry. Substantial exchange allocations then were made for essential goods which could not be obtained under existing compensatory trade agreements, and especially for fuels, prime materials, metals and metal goods, drugs, chemicals, machinery and spare parts for industry and transport.

## Imports Still Restricted

Few of these items will appear in the 1953 import figures because the exchange awards came too late. The trend, however, is towards increased imports in 1954, though only of essential goods. Even with the income from the excellent crops expected in 1953-54, Argentina still has a fairly heavy backlog of commercial debt under its compensatory trade agreements and this will preclude any substantial purchase of other than essential products in the present year. At the end of 1952 this debit balance was estimated at some 1,200 million pesos and it increased appreciably before the 1953 cereal exports could take effect.

The Central Bank's holdings of gold and foreign exchange at the end of December are reported at 3,087 million pesos. This compares with 6,007 million pesos on September 30, 1946, when the comparable value of the peso (now at 14.00 pesos per US$1.00) was about 4.00 and the international price level was considerably lower than it is today.

## Trade Treaties

Bilateral trade treaties are the main plank in Argentina's international commercial policy and are receiving growing emphasis. At the moment, 23 compensatory agreements are in force. They provide for an agreed interchange of specifically listed goods, usually with either the volume or value of each separate item specified. Most of the treaties provide for revolving credits of a set amount and until this has been exceeded, no settlement in the form of exchange is required. Almost all countries in Europe are represented plus several countries in Latin America and Japan. These treaties involve some 6,000 million pesos worth of Argentine exports, about 50 per cent more than the average of 1950-52, when the export volume tied up in this way accounted for 64 per cent of total exports. Argentina naturally undertakes to import goods of an equal value. Similar treaties with additional countries are in prospect. The tendency is to channel trade to these "treaty" countries, to the increasing exclusion of others.

### Business Indices

The *Review of the River Plate* estimates the total money supply at December 31, 1953, at 45,152 million pesos compared with 35,817 million a year earlier, an increase of 26 per cent. This was a somewhat greater increase than in the inflationary years 1948-52 and some people fear a renewal of inflation, held in check in 1953 by strict price and wage controls and the restriction of credit. However, these measures and a less austere import policy (already begun in late 1953) are expected to be sufficient to prevent any important break-through of present price ceilings. Present policy is that only increased production will merit increased wages.

Bankruptcies in 1953, totalling nearly 520 million pesos, almost reached the level of the severe drought year of 1952. The tendency at present is downward, indicating that most of the weaker firms have been shaken out of the commercial structure.

### National Finance

National revenue for January-June dropped by 7·2 per cent, reflecting the contraction of commercial activity and earnings in 1952 and early 1953. Receipts totalled 6,214 million pesos compared with 6,694 million in the same period of 1952, with revenue from customs duties decreasing by 50·5 per cent; from excess profits tax by 31·1 per cent; from capital gains tax by 18·1 per cent; from sales tax by 13·1 per cent. The last half of the year, however, witnessed a considerable improvement. A reliable authority estimates the total 1953 receipts at about 11,500 million pesos compared with 12,215 million in 1952.

Total national public debt, both funded and floating, at the end of depressed 1952 had risen by 4,650 million pesos (21·7 per cent) to 26,104 million. However, because of a constantly and rapidly rising price level since 1943, the per capita load of debt (805 pesos in 1948 and 1,460 in 1952) has actually lightened. (Adjusted in accordance with the price level of 1943, the comparative figures for these two years are 445 and 260 pesos.) These figures take no account of provincial or municipal debt or that of the official company, the Instituto Argentino para la Promocion de Intercambio (I.A.P.I.) The latter's debt to the official banks is estimated at present at about 10,000 million pesos, partially offset by capital assets.

The cost of living remained fairly steady throughout the year and savings deposits increased considerably as a result of an official campaign to consume less and save more. The industrial production index had fallen by some 8 per cent at the end of October but recovered partially by the end of the year.

### Optimism about Future

With cereal crops of excellent yield and high quality assured for 1954, the present outlook is one of restrained optimism in spite of the substantial dip in international cereal prices and some economic uncertainties. Continued austerity, however, is the prospect for trade with the dollar area. A determined effort is being made to build up foreign exchange reserves from dollar earnings to strengthen the national finances and to provide funds for future purchases of capital goods to implement the Second Five Year Plan. Dollar purchases are expected to consist almost wholly of prime materials and capital goods. In fact, only goods essential to the economy will have much chance of finding a market here in 1954.

## Seed Potatoes for Greece

*For the first time in history, Greece has bough Canadian certified seed potatoes for planting thi spring. A recent tender of the Agricultural Ban for a trial tonnage of 430 tons specified Sebago and Katahdin varieties and six Canadian and one U.S firm participated. The contract was finally awarde to two Canadian exporters of P.E.I. and N.B. see potatoes, whose offers were lower in price and wh specified a larger proportion of desired Grade I (small) size seed.*

*Only a small portion of the seed potatoes whic Greece needs are produced locally—a little over 1,00 tons in 1953. During that year some 8,800 tons o various varieties were purchased from Britain, th Netherlands, and West Germany, with the grea majority being Irish Banner. The 1953 crops yielde 431 thousand tons of table potatoes, compared wit 455 thousand in 1952. It is estimated that the 195 crop will meet all local needs and leave a sma surplus for export.*

# Gateways to the Pacific

*Scattered along the B.C. coastline from Prince Rupert to Victoria lie a number of well-equipped ports, open to navigation the year round and able to dispatch cargo quickly and efficiently.*

E. A. LESLIE,
*Office of the Western Representative, Vancouver.*

VANCOUVER holds undisputed place as British Columbia's leading port but over the years a number of other ports have grown in stature. New Westminster, Victoria, Prince Rupert, Nanaimo, and Port Alberni all offer the shipper valued services. Moreover, up and down the coast one finds a number of smaller ports handling bulk cargoes of lumber, pulp and paper, and ores. The climate permits navigation all year round and the coasting trade is highly developed; passenger and freight carriers connect the outlying ports with Vancouver.

### New Westminster

New Westminster, a city of over 30,000 people situated 21 miles from the mouth of the famous Fraser River, ranks second among B.C. ports in both number of arrivals and in tonnage handled. Every year it ships out many cargoes of lumber from the important mills on he Fraser River, base metals and chemical fertilizers rom the huge plants at Trail, apples from the Okanagan Valley, and grain from the prairies. Incoming vessels bring ores, concentrates, and phosphate rock.

The harbour is under the direction of the New Westminster Harbour Commissioners, who report to the Minister of Transport. Ships reach the port—a fresh water one—through the main river channel which will ake vessels of up to 28 feet draught.

### acilities at Port

The main dock is 2,160 feet long and has a depth of 5 to 35 feet at low water. The dock is connected with ail lines and with five storage sheds with a floor area f 123,571 square feet. A large cold storage plant of 00 thousand cubic feet capacity is operated at the ock and there is space for 200 railway cars in nearby ards. Two 500-ft. docks with 27 to 34 foot depth t low water also serve the port. Across the river tands a grain terminal with a storage capacity of 800 housand bushels and a loading capacity of 30,000 ushels an hour. The 1,350-foot dock, with a depth f 30 feet at low water, can take three vessels at a me. There are also other docks ranging from 225 o 400 feet long and at Fraser Mills, farther up the river, a lumber company dock with a face of 1,300 feet and a depth of 25 feet at low water. Three railway lines and one electric railway serve the harbour.

### Victoria and Esquimalt

Victoria, a city of 55,000 which became the capital of British Columbia in 1868, is a port of call for many deepsea lines. Its outer harbour contains the Ogden Point wharves which include two piers with a berthing length of 3,780 feet and a depth of 34 to 38 feet at low water. Rail lines serve both these docks and the grain elevator, which has a million-bushel capacity and a wharf 650 feet long, with a depth of 32 feet at low water.

The inner harbour, used by coastal vessels only, has four wharves—one with a berthing length of 1,250 feet, one with 730 feet, and two with 320 feet. Each is equipped with modern-type cranes and electric hoists.

Victoria also possesses two large shipbuilding and repair yards with a marine railway of 3,000 tons capacity. The port is supervised by a Harbour Master under the direction of the federal Department of Transport. (This is generally true of B.C. ports, with the exception of Vancouver, New Westminster, and Port Alberni.)

Esquimalt, close to Victoria, boasts a Canadian Government graving dock 1,186 feet long and capable of handling the largest vessels afloat, plus substantial oil and coal bunkering facilities. The *Queen Elizabeth* was docked there for overhauling during the last war.

### Prince Rupert

Prince Rupert, the western terminus for the Canadian National Railways, lies 482 miles north of Vancouver. It is the Canadian port nearest to the Orient and handles large cargoes of lumber, grain and fish. The port includes three Canadian National wharves, one with a berthing length of 1,300 feet, a second with 860 feet, and a third with 400 feet; each has a depth of 35 feet at low water. The Canadian Government grain elevator, with a capacity of 1¼ million bushels, has a

*(continued on page 22)*

# Assignment in Milan

*Continued Canadian Government participation in the Milan Fair, one of the world's largest, fosters goodwill between Canada and Italy and encourages mutual trade.*

R. G. BROWN, *Canadian Government Exhibition Commission.*

SOME WEEKS AGO, several large packing cases emerged from the Canadian Government Exhibition Commission's workshops in Ottawa. The crates bore the inscription: "Milan International Trade Fair, Milan, Italy"—and they contained the Canadian Government's 1954 display for this thriving annual spring fair.

The Milan Fair, one of the world's largest, was born amid the turmoil and difficulties of the years following the first World War. The first fair held in 1920 attracted exhibits from 1,233 Italian firms and 256 foreign companies, with the accent on machinery, textiles, chemicals, and raw materials. Two years later, the Fair was well enough established to move to a permanent location, a beautiful site which it still occupies. The Fair grew steadily in scope and importance until 1940. In that year, just before its wartime eclipse, it drew 5,000 exhibitors and 2½ million visitors.

## Comeback after War

When the war ended, the Milan Fair had a stiff reconstruction job on its hands; many of the buildings had been destroyed and its assets dispersed. The rebuilding job went forward quickly—when the Fair re-opened in 1946, fine modern exhibition halls were ready to house the displays.

Today the Fair covers an area of 390 thousand square metres, 187,248 square metres of which is covered space. To make it easy for the visitor to concentrate on his particular line and to compare qualities and prices, goods are classified in 74 different commodity sections. Last year, 11,486 exhibitors took space—3,547 of them from foreign countries. In the 18 days of the Fair, some 7,816 foreign buyers, of 107 different nationalities, registered; total attendance reached the astounding figure of 4½ million people, a world record.

Essentially Milan is a "Mediterranean" fair and to it come buyers and visitors not only from neighbouring European countries but particularly from the Balkans, the Levant and the Near East. It therefore provides many a foreign government with an opportunity of making its country's resources, way of life, and trade potential known to people of many nations.

The Canadian Government first sponsored an official exhibit at the Milan Fair in 1949 and it has taken space each succeeding year. Rigid restrictions on the import of dollar goods into Italy have made it difficult to emphasize particular trading opportunities. Instead, the exhibits have told the story of Canada—its resources, its on-going development, and its position as the world's third trading nation. In various ways Canada's capacity to supply both raw materials and finished products for world markets has been pointed up; so, in turn, has its value as a rich and expanding market for Italian goods.

## The 1954 Display

Canada's exhibit at the 1954 Milan Fair, April 12-28 is already on its way. The chosen theme is "Canada Can Supply Essential Materials for Italian Industry" the displays tell of technical development here and highlight Canadian products essential to the Italian economy on which Italy is prepared to spend dollars The official government displays are all housed in th Palace of Nations, a three-storey building, and Can ada's position, on a connecting balcony on the secon floor, is well calculated to attract visitors.

Wheat and fish loom large in Canada's exports to Ital and therefore have a prominent place in our 195 Milan display. A combine spout pours out an endles stream of wheat to illustrate our huge wheat produc tion. Nearby, coloured transparencies show palate tickling dishes of salt cod and canned salmon as pre pared by Canadian housewives and nearby pane carry the recipes in Italian.

Technical development is featured in another sectio with three electronic devices developed by the Nation Research Council on exhibit, plus three models of th all-Canadian CF-100 jet fighter and models of Cana dian-designed farm implements and equipment. Sti another panel lists vital raw materials produced in th country—aluminum, lead, copper, zinc, nickel, woo and lumber, pulp and paper, steel and tool sheet synthetic rubber, polystyrene, industrial chemicals, ar industrial minerals. Finally, there is an attractive di play of Canadian furs—three fox pelts, one fox jacke one mink jacket, and one mink stole.

Included in the Canadian stand is an information desk, an office, and a lounge where business visitors are received. Throughout the Fair a trained staff is on duty, under the direction of the Commercial Counsellor for Canada in Rome. Every question which visitors ask receives a careful and thoughtful answer and literature on Canada is distributed to those who will make good use of it.

### Private Firms Participate

The Government is not the only Canadian exhibitor at the Milan Fair: private companies are also encouraged to take space. In 1952 eight and in 1953 nine Canadian firms exhibited through their Italian agents or representatives, showing whisky, canned salmon and salt fish, agricultural machinery, tractors, plastics, fountain pens and pencils, cash registers, and control machines. These exhibits help to keep the name of Canada and its products before the Italian people.

### Assessing the Results

Despite the import restrictions, Canada's trade with Italy is growing and officials give some of the credit to our continued participation in the Milan Fair. Certainly the goodwill which these exhibits foster plays an important part in trade negotiations with Italian Government officials. The time may not be far distant when restrictions on trade will be relaxed. Then Canadian companies will be exhibiting in many categories, confident that increased business will be their reward. ●

## fairs and exhibitions

### Booklet on Basel

THERE'S A TOUCH OF SPRING about the attractive folder produced especially for prospective Canadian visitors to the Swiss Industrial Fair at Basel, May 8-18. This fair, held every year since 1917, covers over a million square feet and attracts about 2,000 exhibitors. Displays are classed under 18 different heads, with the emphasis on machinery, chemicals, watches and textiles.

The folder contains information on how to get to the fair, on the reserving of accommodation, and on a post-fair holiday in Switzerland. For further details, write to the Legation of Switzerland, 5 Marlborough Avenue, Ottawa, or to the various Swiss consulates in Canada.

### Aviation Only

ON MAY 5th, the annual International Aviation Trade Show will open in the 71st Regiment Armory, New York City. Begun three years ago at the suggestion of important men in the aviation field, the show features products, materials, and services used by the industry, plus complete aircraft. Exhibitors from other countries are welcomed; last year the Hawker Siddeley group from Britain and A. V. Roe of Canada took space. Altogether about 50 firms had displays and the objective for this year is 100.

The sponsors stress that this is a business show. Visitors must have invitations either from Aircraft Trade Shows (the organizer) or from an exhibitor; a visitor breakdown shows that top management, engineers, designers, sales and production men in aviation figured largely in the attendance last year. Canadian firms who might find this a good means of introducing products to the American market should apply for space to Aircraft Trade Shows Inc., Hotel McAlpin, Broadway at 34th Street, New York 1.

### Toyland in Manhattan

THE "LITTLE PEOPLE" took over the Canadian Showroom in Rockefeller Center on February 23rd and for the next five weeks Teddy bears and tea sets, doll clothes and doll carriages, tiny sailboats and stuffed animals held the stage. The occasion: the first New York showing of Canadian-made toys and playthings.

Forty Canadian manufacturers contributed products and, under the skilled hands of the Canadian Government Exhibition Commission, gay and humorous displays took shape. "Bonnie Bear" played a toy piano and a stuffed rabbit sat at a toy loom; a clown balanced on a seesaw and puppet actors and actresses stood ready to perform on a toy stage. Separate panels

CANADIAN TOYS & PLAYTHINGS

*Forty Canadian manufacturers contributed products to the recent display of toys and playthings in the Showroom at Rockefeller Center, New York.*

showed painting, sewing and embroidery sets; educational puzzles and building blocks; dolls' clothes and cut-outs, and many other attractive playthings. One of the biggest attractions was the toy loom made in L'Islet, Quebec; in fact, it was borrowed one evening for a New York television show.

Timed to coincide with one of the active toy-buying seasons in the United States, the exhibit brought together the products of Canadian plants, working in metals, plastics, wood, textiles, and paper. Today the Canadian toy industry has an annual output valued at nearly $35 million and its markets are expanding. The Rockefeller Show represented a first step in introducing Canadian-made toys to the U.S. buyer and assessing sales opportunities. Already as a result useful market information obtained from visitors to the Showroom has been passed on to the manufacturers.

## The B.I.F. in 1954

ONE OF THE SPECIAL DATES on Britain's business calendar is the British Industries Fair, opening in London and Birmingham on May 3 and running until May 14. Every B.I.F. has its special features though, as always, heavy industry will play the major role, with the bulk of its displays concentrated at the Castle Bromwich, Birmingham, section.

What's new at this year's B.I.F.? Here are a few details:

- A special exhibit arranged by the Amusements Trade in a new section, plus associated displays in the Sports Goods and Fancy Goods section. Visitors will see a wide range of novelties in the entertainment field.

- "Everest Court"—A scale model of Everest, complete with a reconstructed base camp, an exhibit of climbing equipment and techniques, and of transport methods, and movies and still photographs of the famed expedition. This display is being set up at Olympia with the co-operation of the Royal Geographical Society and the Mount Everest Expedition.

- A Boat and Small Craft section double the size of last year's and exhibiting many new products.

- The largest piano display since the war, with the spotlight on an instrument only three feet, three inches long, with a keyboard of the same height as that of a grand piano.

- A special display on industrial design, featuring current British products which reflect a high standard of design, chosen by the Council of Industrial Design.

## Coming Up . . .

The following important fairs are taking place in Europe within the next three months:

*Milan International Trade Fair,* Milan, Italy, April 12-28. Further information from: Commercial Attaché, Embassy of Italy, 133 Sparks Street, Ottawa.

*Lyon International Trade Fair,* Lyon, France, April 24-May 3. Information from: Commercial Counsellor, French Embassy, 464 Wilbrod Street, Ottawa.

*28th Brussels International Fair,* Brussels, Belgium, April 24-May 9. Information from: Consul General of Belgium, 709 Sun Life Bldg., Montreal.

*Hannover International Heavy Industries Fair,* Hannover, Germany, April 25-May 4. Information from: First Secretary (Commercial Affairs), Embassy of the Federal Republic of Germany, 580 Chapel Street, Ottawa.

*Mechanical Handling Exhibition,* London, England, June 9-19. Information from: Fourth Mechanical Handling Exhibition, 11 Garrick Street, London, W.C. 2.

*Shoe and Leather Fair,* Utrecht, Netherlands, June 28-July 2. Information from: Commercial Counsellor, Embassy of the Netherlands, 168 Laurier Ave. E., Ottawa.

# The Danish Farmer and His Markets

*With the sixth good harvest in succession, with agricultural exports up and livestock feed costs down, farmers prospered in 1953. But some clouds obscure the long-term outlook for Danish agricultural exports.*

C. J. SMALL, *Acting Agricultural Secretary, The Hague.*

THE YEAR 1953 was marked by high production and returns in nearly every branch of Danish agriculture. Falling prices for most agricultural commodities were more than compensated by increased volume of goods marketed at home and abroad and by lower feeding costs for livestock producers. Earlier fears of a collapse in grain prices were not realized; cereals moved in orderly fashion onto a market unaccustomed to private trading after 14 years of government controls.

At the year's end, the immediate agricultural outlook remained good. Domestic feed supplies were assured, annual production was running at record levels, and the major export commodities were supported by firm British contracts. Long-range prospects appear less certain, with the end of the U.K. egg contract in sight, with agricultural supply overtaking effective demand, with export competition growing and with agricultural protectionism spreading in traditional markets. Denmark is facing these difficulties with characteristic forthrightness and stressing greater attention to quality and price as the key to their solution.

### Production Records

Total field crop production reached a record in 1953, as Denmark brought in its sixth good harvest in succession. A slight decline of 2·8 per cent in grain production was shared by all cereals except barley, and came in part from acreage reductions. This was more than compensated by heavy yields of all root crops, with the exception of potatoes which suffered heavily from disease. In terms of crop units,* bread grains and potatoes fell by ·5 million and ·9 million respectively but sugar beets and total feed crops rose by 1·5 million and 8·6 million, bringing the 1953 total to 143·7 million crop units, a net increase over 1952 of 8·7 million.

Livestock production advanced considerably in 1953, with hogs showing the greatest increase. Pigs, at 4·3 million in July, were 44 per cent more than in 1939 and greater in number than at any time except the three depression years of 1931-1933. Poultry continued to increase and reached 24·2 million in July, 4 per cent higher than in 1952 but still well below the 1939 figure of 33·3 million. Egg production increased 5 per cent during the past year. Cattle registered a small increase of 20,000 head, half of this in dairy cows. Although the increase in dairy cattle was negligible, milk production, through higher yields per cow, advanced 8 per cent over the previous year and gave rise to production increases of 12 per cent and 5 per cent respectively for butter and cheese.

Commercial fruit production fell off 9 per cent in 1953 from the exceptional 1952 harvest. Apples are the primary fruit crop in Denmark and the commercial crop dropped 7 per cent to 91,300 tons.* Total apple production, including both commercial orchards and those of less than 100 trees, fell 25 per cent to 146 thousand tons, compared with 195 thousand the previous year.

Total vegetable output, at 125 thousand tons, exceeded the 1952 figure by 4 per cent despite a 4 per cent decrease in acreage. Most of the production increase came from exceptionally good tomato, bean and cucumber crops.

### Grain Markets Decontrolled

In the field of agricultural policy, the outstanding event in 1953 was the decontrol of domestic grain markets. For the first time in 14 years, Danish farmers were free to dispose of their grain crops as they wished. In recent years bread and coarse grains had to be delivered to the Government at fixed prices and there was a ban on feeding bread grains to livestock. To encourage shipments abroad, export levies on feed grains and malting barley were eliminated and grain exports were included in the dollar premium scheme. In addition, centralized government purchases of foreign feed grains and oilcakes ended in May.

### Farm Prices Lower

Prices for farm products, with a few exceptions, fell during 1953. Grains declined sharply under the influence of heavy domestic supplies and falling world prices. Bread grains, subject to compulsory delivery prices of DKr.52.00 per 100 kg. in the 1952-53 crop year, fell to lows of DKr.47.00 in August for wheat and DKr.36.06 in November for rye. Delivery prices for barley and oats in 1952-53 were DKr.47.00 and DKr.43.00 per 100 kg. and these fell to DKr.38.13 and DKr.34.85 in November and October respectively. By the year's end, all grain prices had strengthened and gave evidence of rising further in the new year.

---

* One crop unit=100 kgs. barley=220 lb. barley in feeding value.

* Throughout this report, "tons" refers to "metric tons".

The U.K. bacon contract price, reduced 8 per cent on October 1, 1952, was cut another 7½ per cent on October 1, 1953. These reverses were partly mitigated by an average increase of about 7 per cent for pork exports to secondary markets. Cattle and beef prices remained fairly stable in 1953. Egg prices for shipments to the United Kingdom averaged 5 per cent less than in 1953; those to secondary markets were slightly better. Butter prices advanced substantially under the influence of a 7½ per cent increase on U.K. deliveries after October 1, 1952, and a further increase of 2·2 per cent after October 1, 1953.

Despite price declines in most agricultural products, the 1952-53 crop year was only slightly less remunerative to farmers than the all-time record in 1952. Average gross farm returns increased DKr.131 per ha. to DKr. 2419 but increased costs of production meant a small net decline. Nevertheless, average Danish agricultural incomes in 1952-53 were nearly four times larger than in 1938-39.

### Grain Trade

Grain exports, following the pattern set in 1952—when for the first time in recent memory there was a net export of 166 thousand tons—totalled about 300 thousand tons by the year's end, leaving a net export of close to 100 thousand tons. Malting barley, shipped largely to Germany and Belgium, made up two-thirds of the export volume. Export of nearly 60,000 tons of wheat was a feature of year-end trading, with sales primarily to the United Kingdom, Germany and Belgium. Smaller quantities of rye and seed grains made up the remaining grain exports.

No Russian wheat came into Denmark in the latter half of 1953, despite the trade agreement signed in July calling for delivery of 50,000 tons. The reason was high Russian prices and the fact that importers can never be certain of what they will get from Russia. Often the grades delivered are higher than originally agreed on the basis of samples submitted. In addition, because the Russians demand an increase in price under these circumstances, it becomes impossible for traders and millers to plan in advance. However, there is a general feeling in Denmark that agreement on substantial Russian deliveries will be reached in the near future, because of the urgent need to balance Dano-Russian trade.

Agricultural exports increased substantially in volume and value, bringing the agricultural share of total Danish exports to 69 per cent compared with nearly 66 per cent in 1952. This shift resulted from increased agricultural exports and decreased industrial exports. The figures include such products as canned meats, condensed milk, animal and vegetable fats and oils, malt, casein, etc., which are normally listed statistically in Denmark as "industrial" commodities. Without these commodities, the purely agricultural exports amounted to 62·3 per cent, in 1953, compared with nearly 58 per cent the previous year.

### Agricultural Exports Increased

Preliminary estimates of butter and cheese exports show advances of 19 per cent and 11 per cent to 140 thousand and 60,000 tons respectively. Bacon and pork exports, at 250 thousand tons, were 32 per cent greater than in 1952 and pork by-product shipments increased similarly. Cattle and beef exports were 7 per cent higher. A total of 2,000 head of pure-bred dairy cattle went to Greece, Germany, Morocco, Italy and Israel. The figure might have been much higher had not the re-appearance of a few cases of foot and mouth disease during the year brought import restrictions in a number of countries. Egg shipments rose 5½ per cent to nearly 94,000 tons and poultry meat 25 per cent to 10,000 tons.

Potato exports in 1953 totalled nearly 200 thousand tons, an advance of 64 per cent over 1952. Most of these went to West European destinations, with France the major customer (75,000 tons) followed by Switzerland, Italy and Belgium. About half of all shipments were for seed purposes.

The United Kingdom remained Denmark's chief market, taking over 94, 90 and 75 per cent, respectively, of its total egg, pork and butter exports. Germany was Denmark's best customer for cheese (25,000 tons) and cattle (192 thousand head). Exports to Russia increased substantially in 1953 and included butter (8,000 tons), lard (2,000 tons), pork (5,000 tons) and beef, equivalent to nearly 24,000 head of cattle. Although these shipments were rather small compared with those to Great Britain, they were large enough to make Russia Denmark's second-best market for these products last year.

Exports to the United States developed well in 1953 and have been estimated at DKr.250 million. Canned hams made up nearly 50 per cent of total exports to the U.S., followed by cheese, milk powder, poultry meat, potato starch, grass and clover seed, feathers, fish and fish meal. Exports of dairy products and meat to the U.S. forces in Germany provided a growing source of income.

Exports to Canada were not substantial, the major food and agricultural items were cheese, canned meats, egg products, seeds, biscuits, confectionery and fish products.

### Trade Prospects

Despite the favourable picture in 1953, the outlook for Danish agricultural exports is not entirely promising. The current U.K. bacon contract limits deliveries to 233,000 tons in 1953-54 and 203,000 tons in 1954-55 and 1955-56—this at a time of increasing hog production because of heavy grain supplies and low feed prices.

The United Kingdom returned to private egg trading on April 1 and the long-term contract with Denmark is not due to expire until September 30. This has posed a problem, necessitating a Danish decision to carry on with the contract until its expiry or to denounce it on April 1 and take their chance in the free market. Unofficial reports indicate that a compromise has been agreed upon with the U.K. Ministry of Food. Under this, the contract will terminate three months early on July 1, and a post-contract price settlement will be made for the remaining three months. Danish producers will thus be assured of approximately the prices they would have obtained had the long-term contract run its course.

In recent months Germany has become increasingly protectionist in agricultural imports and France and Italy have virtually cut off their once substantial imports of Danish meat products and cheese. In the important field of dairy products, competition for foreign markets is stiffening.

These unfavourable developments have been offset to some extent by the re-appearance of Russia as a market for Danish agricultural products. Trade agreements concluded with Russia in 1953 called for shipment of 10,000 tons of butter, 4,000 tons of lard, 6,000 tons of pork and 8,150 tons of beef. These agreements expire in April 1954, and so far no proposals for renewal have been made.

# TRINIDAD *Grows Citrus Fruit*

*Grapefruit and canned juices from Trinidad are finding a place on Canadian tables—and the citrus plantations, in turn, are buying certain Canadian products.*

ROGER R. PARLOUR, *Asst. Trade Commissioner, Port-of-Spain.*

TRINIDAD'S CITRUS FRUIT industry has a twofold interest for Canada. Canned fruit juices from the colony are finding their way onto Canadian grocers' shelves and Canadian exporters of wooden boxes, paperboard cartons and fertilizers watch this tropical industry for sales possibilities.

Trinidad produces many varieties of citrus fruit, including grapefruit, oranges, limes, portugals, king oranges or mandarins, Sicily lemons, tangerines, shaddocks and pommelos. From the point of view of export trade, the big three are grapefruit, oranges and limes. Other varieties are sold only as fresh fruit on local produce markets or in neighbouring British West Indian islands.

### Methods of Cultivation

The approach to citrus farming is unique in several ways. As in the old plantation days, Trinidad follows a system of extensive rather than intensive cultivation, with a minimum of horticultural care. Trinidad grapefruit trees yield from three to five boxes per tree, compared with 10 to 15 boxes in Florida; oranges give two to three boxes, compared with 8 to 12 in California; limes average less than ½ barrel, compared with 1½ to 2 barrels in Dominica. Some growers believe that excess moisture may be a big factor in the low productivity. But the warm, moist climate of Trinidad produces rapid tree growth even when plants receive no fertilizer and a minimum of care. Expensive irrigation systems as found in California are not needed. There are some serious drawbacks: weeds tend to choke the trees and fungus and scab diseases are prevalent and often scar the fruit. Insect pests are a problem.

According to the Trinidad Department of Agriculture, adequate use of fertilizers provides the quickest and cheapest means of raising these low yields. Experts here recommend sulphate of ammonia at the rate of 8 to 10 lb. per tree, together with zinc sulphate sprays, magnesium sulphate and decomposed matter. Some growers also use phosphate and potash. The growers' co-operative normally distributes about 350 tons of sulphate of ammonia each year to its members and this figure is growing.

*At the height of the citrus fruit harvest, workers at the Co-operative handle grapefruit coming from the plantations.*

The bulk of the grapefruit and orange crop is handled each year by the Co-operative Citrus Growers Association during the January-April picking season. This organization has direct control over all exports of fresh fruits and canned juices to territories outside the British Caribbean area. It boasts complete independence from Government and has never accepted subsidies nor special assistance other than loans which are being repaid with interest.

For the crop year 1952-53, deliveries to packers reached a record figure of 638 thousand crates of grapefruit (90 lb. per crate) and 116 thousand crates of oranges (100 lb. per crate). The best quality grapefruit are graded, sized, waxed, packed in wirebound boxes, and trucked to waiting ships for export. Refrigeration is not available either in the packing plant or aboard ship. "Ventilated stowage" is used at sea and because the ship reaches cooler regions after a few days' sailing, there is very little spoilage from heat. Last year about 14 million pounds of fresh grapefruit were handled in this manner. Nearly all went to the United Kingdom, with smaller amounts going to neighbouring islands. Four million pounds of fresh oranges were exported, chiefly to Barbados, British Guiana and Bermuda.

### Canned Juice

A considerable portion of Trinidad's grapefruit crop suffers from a surface scab which prevents its export as fresh fruit, but does not harm its excellent flavour. This fact gives rise to the citrus juice canning industry here. During 1953 exports of canned grapefruit juice reached nearly 1½ million gallons. Canada was the largest purchaser, taking about two-thirds of the total; other markets included the United Kingdom, Barbados and Western Germany. Sales of orange juice in the same period were 300 thousand gallons, chiefly to the United Kingdom, and sales of orange and grapefruit juice mixture totalled 150 thousand gallons, of which Canada took 130 thousand gallons.

Trinidad-grown limes have a delicious flavour but prevalence of disease has held the industry back. About 20 per cent of the crop is used locally for beverages and cooking; the remainder goes into lime oil. In 1953, nearly 22,000 lb. of lime oil were exported. The United States purchased 80 per cent of this; other markets included Australia, Canada, South Africa and the United Kingdom. Production of lime juice and citrate of lime has been almost negligible in recent years.

A new development in the industry is the manufacture of animal feeds from waste skin and pulp. Processing equipment purchased in the United States is now being installed and this type of manufacturing may begin this spring. The product, a coarse dry powder, will be mixed with local and imported grains and other ingredients to produce a feed for cattle. First developed in Florida, this feed is expected to cost less than conventional types and yet produce good results. There is an assured market locally for 1,350 tons a year of the new product and there may be a surplus for export.

### Imports of Boxes and Cartons

Two types of boxes are used in the industry. Heavy-duty wooden boxes from British Columbia are used in conveying fruit from the growers to the factory. For the export of fresh fruit, the Co-operative had been using a locally-made wirebound box. However, the local box factory has now ceased operation and the Co-operative looks to North America for its supplies. The canned juice is shipped in standard-type paperboard cartons, but for the moment European firms are under-quoting North American sources on those. Tinplate for the cans is purchased semi-fabricated from the United Kingdom and labels are printed locally.

### Prospects Favourable

The 1953-54 crop just coming on the market may be smaller than that of last year, because of heavy rains in the last few months. But over a longer period the citrus growers hope to obtain substantially higher yields by paying more attention to good orchard management. Careful picking should improve the appearance of their grapefruit. A reduction in the number of varieties of oranges may mean easier handling and a more uniform product. Temporarily, the production of frozen juice concentrates is prevented by the lack of refrigerated shipping space. The industry is anxious to expand its overseas markets and is confident that Canadian housewives are finding its product unsurpassed in flavour. ●

# Colombia as a Market for Wheat and Flour

*During certain months of the year, Colombia permits the import of wheat to supplement domestic production, but most types of wheat flour are denied entry. Local millers mix Canadian hard wheat with native varieties.*

J. E. LANCASTER, *Assistant Commercial Secretary, Bogotá.*

COLOMBIA OFFERS an attractive, if spotty, market for Canadian wheat, but because of government restrictions, buys only modest quantities of Canadian flour. These circumstances directly reflect market conditions in Colombia. The large and expanding domestic production of wheat makes it unnecessary to rely on imports for the full twelve months of the year. In wheat flour, over a period of years Colombia has built up a milling capacity that far exceeds the needs of its present population. The Government therefore has been encouraged to suspend the import of wheat when the local crop comes in and to place blanket restrictions on the import of wheat flour.

The expansion in domestic wheat and flour output has given rise to pressure for protection from foreign competition and has resulted in import restrictions to protect the national producer. Only when confronted with depleted stocks and a rise in the cost of living does the Government relax its import restrictions. The Canadian exporter thus faces a continual shift in market prospects and in government import policy.

## Local Production Expanding

The cool highland plateaus are the wheat-producing areas of Colombia. These include the Departments of Narino on the Ecuadorean border, Cundinamarca, where Bogotá, the capital, is situated, and neighbouring Boyaca. Although production statistics are not available, it is estimated that the annual crop yields approximately 80-90,000 metric tons of wheat (1 metric ton equals 36·75 bushels). The average yield is low—about 10 bushels an acre. The local grain is "soft" and lacks the milling and baking qualities of the "hard" northern types. It is also a humid type of wheat which deteriorates rapidly in the tropical heat of the lowlands and coastal regions.

Nevertheless, with the invaluable assistance of international bodies such as the Rockefeller Foundation and the Foreign Operations Administration of the United States, a considerable amount of research and educational work has been undertaken. This has had some good results. At various research stations, including the central experimental farm at Tibaytata near Bogotá, work is progressing on a new strain of wheat known as "Menkemen". This new variety, combining the desirable qualities of types of wheat obtained from Kenya, Italy and Mexico, promises to go far towards meeting requirements, particularly of the Cundinamarca-Boyaca region. Tests have proved that it has a better yield, is more resistant to lodging and to attacks of rust, and matures earlier. If it is planted on good land during the two rainy seasons a year, it is possible to secure two crops a year with exceptional yields of 30 bushels an acre. Efforts are now being made, with evident success, to encourage local farmers to use Menkemen seed instead of the regional Bola Picota variety.

## Crop Will Improve

Foreign experts feel that with the steady introduction of improved farming methods and the production of better varieties, there is a prospect that Colombia's wheat crop may, at some time, meet the demands of a population much larger than the present 12 million. This belief, of course, is based on the low present-day consumption and does not take into account the problems and costs of moving the crop to various parts of the Republic over difficult terrain. Nevertheless, the view coincides with national hopes and desires and the Canadian wheat exporter must be prepared for a government policy not only of increasing production, but of import restrictions to assure that the domestic crop finds sale in the national market.

## Need for Imported Wheat

In spite of the future prospects for the domestic wheat crop, there are a number of factors which seem to make the import of wheat a continuing feature of Colombian economic planning. With the steady increase in population (estimated at about 280 thousand a year), and the rise in purchasing power, the demand for bread is growing continually. It is estimated that supply still fails to meet demand by about 50-60,000 metric tons a year. Furthermore, Colombian wheat is "soft" and local millers much prefer the imported "hard".

Colombian wheat is expensive to produce; the cost per bushel in the growing areas is three and even four times greater than in the Canadian grain belt. Because of the twelve-month growing season, the Colombian farmer will swing to the production of other crops should the income from wheat not be sufficient for his requirements—with obvious results on the national wheat output. Finally, the wheat grown in the highlands has not proved satisfactory either in quality or in price when shipped to the hot, tropical areas. It thus appears that there will be considerable scope for imported wheat in this market for some time to come. The following Canadian Government statistics give some idea of the market trend, bearing in mind Decree 2011 of August 1953, which prohibited flour imports:

**Exports to Colombia**

| | *First 9 months, 1953* | *First 9 months, 1952* |
|---|---|---|
| Wheat ........... | 258,020 bushels | 144,729 bushels |
| Wheat flour.... | 44,988 barrels | 102,344 barrels |

Government import regulations in force in mid-February 1954 were:

*Wheat*—By Decree 2011, the suspension on imports was lifted in August 1953. On January 28, 1954, by Decree 223, the surtax of 25 centavos per kilo on imports imposed the previous August was reduced to 15 centavos per kilo. Wheat is permitted entry on import licence on a variable quota basis to meet practically the day-to-day requirements of the millers and the consuming public. The present quota of approximately 12,000 metric tons was fixed by the Ministers of Development (Fomento) and Agriculture. Presumably when the domestic crop is harvested and on the market during the next few months, imports will again be suspended.

*Wheat Flour*—Decree 2011 specifically prohibits the import of wheat flour.

Exceptions to this rule are:

- Small quantities of semolina for the manufacture of alimentary pastes, allowed entry on payment of a relatively heavy duty of 30 centavos per kilo and 25 per cent ad valorem.
- Import of foreign flour for the use of cracker (biscuit) manufacturers. The quantity is limited to 4,103,480 kilos (approximately 4,000 tons) and a heavy impost of 63 centavos (approximately 25 cents Canadian) per kilo, plus 25 per cent ad valorem, is levied. At the present time, import licences are apparently not being granted under this, although market demands may force the authorities to open the door to some degree.

With all these factors operating, it is difficult, if not impossible, to forecast specific market prospects. Broadly speaking, however, if Canadian wheat can be landed in Colombia competitively with other foreign offers (particularly from the United States) and, bearing in mind the heavy duties, can meet Colombian wheat on equal terms, this country should provide a continuing market. On the other hand, there is every likelihood that the Colombian authorities will suspend wheat imports temporarily to permit disposal of the new domestic crop when it is harvested about April. Special dispensation, however, may be granted to the coastal regions, which rely so heavily on imports.

The market for flour, on the other hand, is almost completely circumscribed and there is little prospect of selling any larger quantities of Canadian wheat flour. ●

# trade commissioners on tour

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions here and to renew their contacts with businessmen. Details of their itineraries appear under this heading, as a service to exporters and importers who wish to discuss trading problems with them.

W. D. WALLACE, Commercial Secretary in Djakarta, Indonesia, began his Canadian tour in Ottawa on March 3rd. His itinerary is:

Brockville: April 5
Ottawa: April 6

M. R. M. DALE, Commercial Secretary in Santiago, Chile, began his Canadian tour in Windsor on March 30; his itinerary follows. On completion of his tour Mr. Dale will be posted to Cairo, Egypt.

Kitchener: April 2-5
Brantford: April 6
Hamilton: April 7-8
St. Catharines: April 9
Montreal: April 19-May 1
Quebec: May 3 and 4
Ottawa: May 5-7

Businessmen in the various centres may get in touch with these officers through the following organizations

*Board of Trade*—Brantford, Montreal.

*Chamber of Commerce*—Brockville, Hamilton, Kitchener, London, Quebec, St. Catharines.

*Department of Trade and Commerce*—Ottawa.

# commodity notes

## Argentina

GARLIC—The Ministries of Industry and Commerce and of Foreign Trade have announced an export quota of 2,500 metric tons of garlic from the 1953-54 crop. Production last season totalled 20,630 tons, of which over 4,000 tons were exported to Brazil and ten tons to the West Indies—Buenos Aires, March 5.

BROOM CORN—Two sales of broom corn have been announced by I.A.P.I. during the past week at the f.o.b. price of 1,950 pesos per metric ton (US$260 at the preferential export rate of US$100=750 pesos). These are the first sales noted for some time and the price is 60 pesos per ton less than the previous so-called official price. These prices are subject to an additional 6 per cent (maximum) for the buying agent's commission—Buenos Aires, March 8.

## Chile

APPLES—Local reports indicate that the apple production in this territory for the current year will be 25 per cent less compared with 1953, because of unfavourable weather where the bulk of this fruit is grown. The poor harvest and late delivery of the fruit is expected to mean higher prices and insufficient quantities for export—Santiago, Feb. 27.

WHEAT—The local press has announced that, because of the poor harvest in the past year, Chile may eventually import wheat to make up for the estimated shortage of nine million bushels for 1954. The name of the supplying country is not indicated. It is assumed, however, that full details will be published later—Santiago, March 6.

## Denmark

PORK—Because of a sudden shortage of bacon pigs, it is probable that Denmark will not be able to fulfil her present contract with the United Kingdom for 230 thousand tons of bacon. To alleviate the present situation the Danish Ministry of Agriculture has forbidden the export of all fresh pork, except to Great Britain. This category includes sow pork, large quantities of which have been exported to Western Germany, where demand was high and prices good. It is hoped thereby to satisfy Danish domestic demands with sow pork and keep all bacon pigs for export. A further proposal by the slaughterhouses to forbid the export of canned pork products (80 per cent of exported Danish hams go to the U.S.) was rejected on dollar-earning grounds—Oslo, March 15.

## Japan

ALUMINUM—Production of aluminum in Japan in 1953 increased by 6·6 per cent over 1952 to a total of 45,493 tons, the highest since the end of the Pacific war. December output was 4,020 tons, about 16 per cent above the production expected in that month—Tokyo, March 10.

## Portugal

CELLULOSE—A contract for the export of 8,000 tons of cellulose to Great Britain was recently signed by the Portuguese Cellulose Co. (Companhia Portuguesa de Celulose). This contract is of considerable importance to the Portuguese economy, because it is valued at several hundred thousand pounds sterling. The contract includes a shipment of 2,000 tons during the current month with further shipments to be made monthly. This contract follows a successful test of a trial shipment of 200 tons of kraft raw woodpulp—Lisbon, March 3.

## Spain

SWEET ORANGES—Reports from the Valencia area indicate that the recent frosts have damaged the orange groves severely. It is estimated that about 400 thousand metric tons of fruit are affected, out of a total estimated crop of 1,850,000 metric tons. The loss to the growers is said to be approximately 1,500 million to 2,000 million pesetas—Madrid, Feb. 25.

LEAD—According to an official report, it is estimated that lead production in 1953 reached 53,000 metric tons, compared with 41,000 tons in the previous two years, 35,000 tons in 1950 and only 27,000 metric tons in 1949—Madrid, March 1.

## Spanish Guinea

COCOA—Last season's cocoa crop in Spanish Guinea amounted to 17,000 metric tons, according to a recent press report—Madrid, March 3.

## Sweden

PAPER—In 1953 sales of the Swedish paper industry increased considerably. The mills are now fully employed and the number of orders is satisfactory. Exports amounted to approximately 711 thousand tons, compared with 566 thousand in 1952; home consumption is estimated at 520 thousand tons—an increase of between 30,000 and 35,000 tons. Exports to Germany, Holland, Belgium and Denmark have increased, but not to France, where currency restrictions are still enforced. Exports to the United Kingdom amounted to about 140 thousand tons, compared with 127 thousand for 1952; newsprint exports were less, but exports of other paper increased from 71,000 tons in 1952 to 106 thousand tons in 1953.

Newsprint exports to the United States totalled 14,000 tons and of other paper about 18,000 tons. In the South American market, Brazil has increased her purchases and an outlet is being developed in Colombia but the market in Argentina has proved to be difficult. Exports to Australia in 1953 have increased. Prices throughout the year remained stable—Stockholm, March 3.

TIMBER—Total exports during 1953 of sawn and planed wood amounted to approximately 900 thousand standards, the highest figure since 1934. This large increase was mainly a reaction after the 1952 slump when Great Britain, Sweden's principal customer, severely restricted her imports and depleted her stocks. British import restrictions were relaxed at the end of 1952 and the brisk demand throughout 1953 resulted in Swedish shipments to the United Kingdom increasing from 175 thousand in 1952 to 450 thousand standards in 1953, about half of total exports. Because of Austrian competition at lower prices, exports to West Germany, the second largest timber market in Europe, did not increase. Exports to the traditional Mediterranean markets, however, remained at about the same level. Exports to Australia and South Africa fell slightly—Stockholm, March 5.

## Union of South Africa

CEREALS—Availability of export licences for maize emphasizes the extraordinary size of the present season's crop. In 1953 some three million bags (of 200 lb.) of maize were imported to supplement domestic supplies. This year, it is expected that there will be a surplus of about 15 million bags.

The wheat crop for the year commencing November 1 is estimated at 5·8 million bags, or some 3 million bags less than domestic requirements. Careful consideration is being given to the increased use of maize to reduce wheat imports. Last year's carry-over of 4·9 million bags, plus the harvest, will be supplemented during the first half of 1954 by one million bags of wheat from Canada and 600 thousand bags from the United States—Johannesburg, March 1.

## United Kingdom

GRAINS—Estimated yields for 1953 in England and Wales of wheat, barley and oats were the highest on record. Compared with 1952 the wheat acreage increased from 1,963 to 2,143 thousand in 1953 and the estimated yield went up from 42·1 to 44·8 bushels per acre. Although the 1953 acreages of barley (2,025 thousand) and oats (1,663 thousand) were slightly reduced, the crops exceeded the previous year by 11 and 7 per cent respectively. The estimated yield of barley went up from 46·4 to 52·7 bushels per acre, and of oats from 64·8 to 69·8 bushels per acre.

Last year the Ministry of Food purchased supplies of home-grown wheat, barley, oats and rye which could not be marketed through normal outlets; a system of deficiency payments will operate for the 1954 crops—London, March 3.

## United States

MEAT—The president of the American Meat Institute recently stated that meeting future needs for meat and livestock production is a problem the entire U.S. meat industry needs to think about. Although present livestock production is high by past standards, he believes that the rising American population will keep pressure on meat supplies for some time to come. Every fourth person now living in the United States, he pointed out, has been born since 1939 and since 1938, 29 million people have been added to the population. By 1975 it is expected that another 60 million persons will be added—all of whom will be good customers for meat—Chicago, March 15.

CONTAINER BOARD—A new container board mill near Rome, Georgia, is expected to be in operation by the middle of 1954. It is stated that the mill, when completed, will be capable of maintaining a sustained annual rate of production of over 200 thousand tons of kraft container board, used in manufacturing corrugated shipping containers. The mill represents an investment of over $25 million and will provide employment for 650 men and women. Approximately 350 thousand cords of pulpwood a year will be used, largely from Northwest Georgia and parts of Tennessee and Alabama—New Orleans, March 2.

# Trading with British West Africa

*Opportunities for Canadian exports in this area seem limited at the moment, but special trade techniques practiced there repay study, against the time of less restricted trade in dollar goods.*

R. CAMPBELL SMITH, *Commercial Secretary, London.*

THE TERRITORY of British West Africa includes Nigeria and the Cameroons, the Gold Coast and Togoland, Gambia, and Sierra Leone. In this vast area ve nearly 40 million people, carrying on a total trade alued at £400 million in 1951, and providing a good market for cotton textiles, machinery, iron and steel oods, petroleum, cement, tobacco and foodstuffs.

Canadian exporters of flour, vehicles and parts, nets, mining machinery, and agricultural implements have, in the past, found British West Africa a good sales utlet. They have also discovered that trading there as its own special techniques—techniques which the xporter should understand if he is to be successful.

## ive Channels for Trade

There are five main classes of importers in the British West African territories through whom imports are channelled:

1. The large British and European trading companies.
2. Local Syrian and Indian importers.
3. The Government (Public Works, Railways, Harbours, Marine, Posts and Telegraphs, Medical, Agriculture, Colonial Development Corporation).
4. Mining companies.
5. Local African importers.

● The first is by far the most important group; it is estimated that it handles 90 per cent of the commercial imports. These trading companies, with headquarters in the United Kingdom or Europe, carry on vast wholesale and retail operations throughout the area. Each has a main office in each Colony, with goods managers for separate divisions, such as provisions, hardware, textiles, and so on.

Goods managers may not order direct from a manufacturer nor from his agent in the Colony but must indent on their company's headquarters in Britain or Europe. The agent of a Canadian company in the Colony therefore has the job of keeping the goods manager informed about his principal's products and establishing goodwill so that, when the manager indents on headquarters, he will specify the particular Canadian product. In addition, the agent carries on market research and helps the retailer with his merchandising problems. The buyer at headquarters is a useful contact for the Canadian exporter who has no representative in the Colonies because this buyer is responsible for placing orders to best advantage and has considerable freedom of choice, if the goods manager has not specified any one supplier.

### British West Africa—Some Statistics

| | *Nigeria* | *Gold Coast* | *Sierra Leone* | *Gambia* | *Total* |
|---|---|---|---|---|---|
| Population (million) | 31·5 | 4·4 | 2·0 | ·3 | 38·2 |
| Area (000 sq. mi.) | 373 | 92 | 28 | 4 | 497 |
| Imports 1952 (£000) | 113·2 | 66·5 | 10·3 | 3·7 | 193·7 |
| " 1953 (9 mos.) (£000) | 78·5 | 51·2 | 8·1 | 1·5 | 139·3 |
| Exports 1952 (£000) | 129·6 | 86·4 | 10·2 | 4·0 | 230·2 |
| " 1953 (9 mos.) (£000) | 93·9 | 68·9 | 8·3 | 2·8 | 173·9 |
| Canadian exports to (1952, 9 mos.) $000 | 672 | 208 | 139 | 7 | 1,026 |
| Canadian exports to (1953, 9 mos.) $000 | 430 | 727 | 155 | 11 | 1,323 |
| Canadian imports from (1952, 9 mos.) $000 | 1,755 | 5,404 | 6 | ........ | 7,165 |
| Canadian imports from (1953, 9 mos.) $000 | 1,562 | 3,079 | 2 | ........ | 4,643 |
| Major exports (in descending order of importance) | Cocoa, palm kernels, groundnuts, palm oil, tin concentrates, cotton, rubber, hides and skins, timber, bananas, columbite. | Cocoa, gold, manganese ore, bauxite, diamonds, timber. | Palm kernels, diamonds, iron ore, chrome ore. | Groundnuts. | |
| Commercial centres | Lagos, Port Harcourt, Kano. | Accra, Kumasi | Freetown. | Bathurst. | |

- Group two consists of the many Syrian and Indian importers who carry on business on a small scale. Like the trading companies, many of them do retail as well as wholesale business. Some of them have offices in the United Kingdom on which they indent but they usually order direct from the manufacturer or his representative.

- The third import channel is direct sales to government departments. Orders can be placed by the departments in the Colonies. However, as the Crown Agents for the Colonies, 4 Millbank, London S.W. 1, do a considerable amount of purchasing for these departments, it is advisable to get on the Agents' approved list and thus receive regularly invitations to tender. An agent in the Colony can prepare the way for the placing of orders but contact should be established with the Crown Agents by writing direct to the London office.

- The fourth import channel is the numerous mining companies in British West Africa. They tend to do their own purchasing and indent on the U.K. headquarters in the same way as the trading companies do.

- The final group of importers is made up of local African firms who are beginning to acquire experience in this field. The great bulk of the retail trade is carried on by the petty African traders scattered throughout the towns and villages. They either have their own small establishments or operate in the market places. The emphasis with the African buyer is on price rather than quality and buying habits tend to be conservative.

### Advice to Canadian Exporter

Canadians have become particularly interested in British West Africa as a market for flour; in 1953, sales of Canadian flour in this area totalled $2,598,866, compared with only $423,627 in 1952, when purchases were cut back severely because of increased flour shipments under ECA aid to the Colonies. Canadian mills now have free access to these markets; they must obtain import licences but these are freely issued to North American suppliers. Tight import controls throughout the area continue to handicap Canadian exporters of other products.

None the less, British West Africa is a territory worth cultivating. Canadian firms which have not appointed agents will find that the choice of experienced firms is limited and it may take considerable time to establish the right contact. They might give some thought to the possibility of dealing through British or European firms, carrying on a commission business through branches in B.W.A. The main advantages of this approach are that these firms usually have many years of experience, maintain their own offices and trained personnel in the Colonies and, at the same time, have contacts with the buyers of the large trading companies posted at headquarters. ●

## Gateways to the Pacific

*(continued from page 9)*

loading capacity of 50,000 bushels an hour. The large floating dock facilities have a lifting capacity of 20,000 tons, and there is a government wharf 500 feet long with a depth of 35 feet at low water. Numerous wharves for coastal shipping and three oil and coal bunkering docks complete the port's equipment. Prince Rupert is an important fishing centre, handling every year millions of pounds of halibut caught in North Pacific waters.

[illegible] inlet (east west-outlet)

### Nanaimo and Port Alberni

Population 78[illegible]
Alberni 3323

Nanaimo, on the east coast of Vancouver Island, is one of the oldest ports in the province and an important distribution centre for the northern part of Vancouver Island. It is the centre of the Island's coal mining industry and has coal docks with a berthing length of 820 feet and a depth of 30 feet at low water. Extensive new coastwise passenger and car ferry docks have recently been completed at the port.

Lumber is king at Port Alberni, located at the head of a deep natural fiord, the Alberni Canal, on the west coast of Vancouver Island, 24 miles from the Pacific Ocean. Through this port pass lumber, plywood, pulp and fish products from the mills and factories located in the area. The government Assembly Wharf has a berthing length of 900 feet with a depth of 30 feet and is equipped with cranes, rail lines, etc. The government wharf is 200 feet long and has a depth of 12 feet at low water. There are two lumber docks, one 450 feet and the second 950 feet, both with a depth of 30 feet at low water. In addition, there is a local coastwise wharf 200 feet long.

### Other Ports

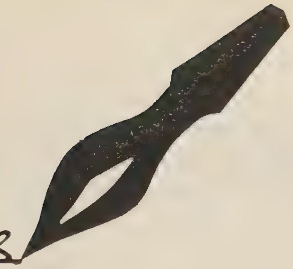
Pop. 475 - So. of (Ladysmith 2190) Ladysmith S E Vancouver Isl

Chemainus, on the east coast of Vancouver Island, is also a lumber port, drawing cargoes from the many logging and lumber operations around it. It has one wharf, with a berthing length of 525 feet and a depth of 35 feet at low water.

Along British Columbia's long coastline are dotted a number of "company" ports such as Powell River, Ocean Falls, and Port Alice, which serve the big pulp and paper mills at these points. Newest of these company ports is Kitimat, where alumina will be brought in and aluminum ingots shipped out. Kitimat is located at the head of Douglas Channel, 80 miles from the sea, and is served by a concrete caisson dock 725 feet long, with a depth of 30 feet at low water.

### Pilotage

Pilotage services are available throughout the coastal waters of British Columbia and pilotage boarding stations are located near most ports. In general, pilotage dues are compulsory for vessels of over 250 net registered tons. ●



# General notes

## Australia

OIL REFINERY—The new oil refinery which is being built on approximately 400 acres of land near the south shore of Botany Bay is scheduled to start operation in July 1955. It will be serviced by a modern wharf and deepwater harbour. The capacity will be 1,060,000 tons a year of a large variety of crude oils, including Indonesian and Persian Gulf crudes. Initially it is expected that between 300 and 400 persons will be employed and eventually more than 600. Selected personnel, largely Australians, are being trained with the Bahrein Petroleum Co. Ltd. at Bahrein in the Persian Gulf—Sydney, March 4.

IMPORTS FROM JAPAN—The Commonwealth Government will grant import licences for 15 per cent more Japanese textiles in the year beginning April 1. These textiles will include cottons, nylons and pure silks. In addition, licences will be granted for galvanized iron and other iron and steel products, crockery, sulphur and canned fish. Import restrictions are being relaxed so that Japan can earn more sterling and buy more Australian wool—Sydney, March 8.

## Brazil

CROP FORECASTING—São Paulo will employ the sampling method this year to forecast the cotton, rice, corn and coffee crops. This will be the first time this system has been used in Latin America. Previous São Paulo estimates have been made from subjective estimates with the regional agronomist calculating the production of his district from personal knowledge. Although useful, this system has long been considered obsolete by São Paulo agricultural authorities because of the divergencies between the estimates and actual production. To conduct its sampling experiment, the São Paulo Department of Agriculture will spot-check 1,360 farms—São Paulo.

## Egypt

PAPER MILL—The National Production Council, Cairo, has called for international tenders on a paper factory in Egypt to be based on the country's surplus supplies of rice straw, cotton stalks, sugar cane residue, etc. Tenders are expected to include the manufacture of newsprint, some 15,000 tons of which are imported each year—Cairo, March 10.

REDISTRIBUTION OF LAND—According to a report released by the Egyptian Government, farm land redistribution under the Land Reform Law has now reached approximately 188 thousand acres and a further 100 thousand acres will be requisitioned and redistributed to small farmers over the next few months. The report indicates that fears of smaller crops because of land redistribution have not been justified. The 1953 crops, with the exception of cotton, have all been substantially larger than in recent years—Cairo, Feb. 25.

## Greece

CURRENCY REFORM—The first step in the program for reform of the Greek currency is an $800 thousand contract just awarded to a French company for the minting of 93 million coins of various small denominations. Metal coins were withdrawn from circulation during the German occupation in 1941 and the metal used by the Axis war industry. At the end of 1953 the Government announced reform of the currency during 1954, involving a revaluation of 1,000 old drachmas to each new drachma and the re-introduction of metal coinage—Athens, March 3.

## Israel

INDUSTRIAL CROPS—Agricultural output is steadily increasing in Israel and recent experiments indicate that most of the future increase will be in crops for processing by local industries. Satisfactory experimental growings of sugar beet and peanuts realized 3,000 tons of each. The recent record crop of 3,000 tons of oriental-type tobacco will satisfy domestic requirements for this leaf for 20 months; experimental plantings of the more popular Virginia leaf are being increased.

Experimental crops of California cotton are showing encouraging yields of up to 360 kilos an acre, and the results of the first plantings of the more desirable Egyptian long staple cotton are expected shortly. The first commercially important cotton crop in Israel will be planted in 1954. Initial plantings of a sub-tropical fibre plant, kenaf (with properties similar to jute) are being harvested on five acres of land at the Government's Agricultural Research Station. The 1953 crop of flax was a record at almost 7,000 tons.

These industrial crops will help to reduce Israel's heavy imports of sugar, oil seeds, cotton, jute and tobacco, and eventually provide a basis for additional local industries—Athens, March 10.

## Italy

INDUSTRIALIZATION—The industrialization of Sicily, one of the outstanding problems in postwar Italy, has been receiving continuous attention. Large sums have been provided from various sources, including the International Bank and the Cassa del Mezzogiorno, and already important results can be seen. The principal ones are: sulphur production of 96,000 tons in 1948 increased to 151,663 tons in 1952; rock salt from 68,000 tons in 1948 to 163,428 tons in 1952; sulphuric acid from 3,547 tons in 1951 to 23,226 tons in 1952; refined petroleum products from 316 tons in 1951 to 377,000 tons in 1952; electric power from 329 million kwh. in 1951 to 536·6 million in 1952. Production of the Sicilian fishing industry, the most important in Italy and representing 33 per cent of total Italian production in this field, has also shown a big increase—63,476 tons in 1952 as compared with 44,580 tons in 1950, with a value of over 13 billion lire. In addition, capital has been raised for the establishment of some 71 new joint stock companies with an initial total capital of six billion lire, which will be increased to 25 billion lire. These companies will develop industrial enterprises, particularly in the fields of research for gas and liquid hydrocarbons and petroleum, on which they expect to spend at least five billion lire during a nine-year period—Rome, Feb. 22.

## Japan

BAKERY INDUSTRY—The first large-scale bread bakery in Japan is expected to go into production in April or May. The new plant, costing over a million dollars, is a striking contrast to the usual small neighbourhood bakeries and noodle shops—Tokyo, March 1.

## New Zealand

PRODUCTIVITY INCREASE—With the fiscal year 1938-39 as base, the productivity of New Zealand has increased from an index of 78 in 1930-31 to 143 in 1951-52. Agricultural productivity rose from 84 to 126, and that of factories rose from 65 to 191. This gives a clear indication of the growing industrialization of New Zealand—Wellington, March 5.

## Norway

ALUMINUM PLANT—The new government-owned aluminum plant at Sunndalsøra is to go into the first stages of production in April, six months earlier than originally estimated and just 23 months after construction began. It is stated, however, that for technical reasons full production will not be possible until later in the year. The plant was financed chiefly through a loan from ECA and this loan is to be paid back by deliveries of aluminum over a period of ten years. The amount necessary at today's prices is about 65,000 tons—Oslo, March 10.

PRESERVING HERRING—A Norwegian firm has introduced a new process for preserving fresh herring. The herring are filleted, dipped in an alginate solution, and transferred to a normal refrigerating room for storage. It is claimed that herring thus treated is equally good after a year's storage and, in fact, the fishy smell associated with fresh herring when it is cooking entirely disappears. The firm is now extending this process to include other types of fish—Oslo, Feb. 25.

## Sweden

BLEACHING MATERIALS—To cover its requirements of bleaching material for sulphite and sulphate pulp, a Swedish company is planning to build a new chlorine and alkaline factory at Gavle, central Sweden, at a cost of 4·9 million kronor. Total capacity will be about 7,000 tons of chlorine and 8,500 tons of alkaline each year—Stockholm, March 5.

## United Kingdom

GOLD AND DOLLAR RESERVES—According to a United Kingdom Treasury announcement, the gold and dollar reserves of the sterling area increased by $40 million in February and now total $2,583 million. Defence aid of $31 million from the U.S. and $7 million from the European Payments Union contributed very largely to the month's increase. The remainder of $2 million is much lower than the corresponding figure of $14 million in January, which probably indicates that the effect of decreased exports from the sterling area to the United States is now being felt—London, March 3.

## United States

SIMPLIFIED TELEVISION RECEIVER—A television receiver that is simpler and less expensive to manufacture and service has been developed by a New Hampshire firm. Three compact units plugged into the chassis substitute for the complicated maze of wire and parts in present sets. Adapted from a Navy project, the commercial design eliminates some 600 hand-soldered connections and aims at mass production machine methods—Boston, March 20.

ATOMIC STUDY—The Governors of the six New England States have just approved a proposal to establish a New England Committee on Atomic Energy which will survey the methods by which the area can use atomic energy in industry. Composed of 12 persons, the committee will file its report within the year with the New England Governors' Conference. Subjects to be surveyed will be the interest of the area in developing atomic power; the extent and effectiveness of present efforts in this field by state, private and industrial agencies in New England, and appropriate action by public and private organizations to stimulate New England participation in atomic energy projects—Boston, March 10.

NEW PORCELAIN ENAMEL—A new porcelain enamel coating, the first practical full matte, acid-resisting finish designed to meet the need of architects and builders, has been developed by a Massachusetts manufacturer of porcelain enamel products. The new finish is offered primarily for use in architectural curtain wall construction. The promoters claim that it opens up new applications for porcelain enamel in the building industry—Boston, March 1.

## Postings in the Service

| | |
|---|---|
| S. V. ALLEN | *At present Commercial Counsellor in Washington, will be transferred to New York as Canadian Trade Commissioner, in June.* |
| A. E. BRYAN | *Formerly Deputy Consul General and Trade Commissioner in New York, has taken over the post of Consul and Trade Commissioner in Detroit.* |
| M. R. M. DALE | *Formerly Commercial Secretary in Santiago, is now in Canada en route to Cairo where he will be in charge of the post as Canadian Trade Commissioner.* |
| C. R. GALLOW | *Formerly Commercial Secretary in Rio de Janeiro, has been transferred to New York as Trade Commissioner.* |
| R. E. GRAVEL | *At present Canadian Trade Commissioner in Ciudad Trujillo, will take up his new post in Santiago within the next few months.* |
| T. F. HARRIS | *At present Assistant Commercial Secretary in Rio de Janeiro, will leave there in May on transfer to The Hague, where he will be Assistant Commercial Secretary.* |
| D. M. HOLTON | *Formerly Vice-Consul and Assistant Trade Commissioner in New York, is now Canadian Trade Commissioner in Bombay.* |
| H. M. MADDICK | *Formerly Assistant Commercial Secretary in Lisbon, is now in Canada en route to Rio de Janeiro where he will be Assistant Commercial Secretary.* |
| E. H. MAGUIRE | *At present Commercial Secretary in Madrid, will be transferred in the same capacity to Washington in July.* |
| W. G. PYBUS | *Formerly Assistant Commercial Secretary in The Hague, is now Assistant Commercial Secretary in London, assigned to special duties in connection with the Canadian International Trade Fair.* |
| PAUL SYKES | *Formerly Trade Commissioner at Colombo, opened a new office at Kobe, Japan, early in January, where he is Trade Commissioner.* |
| C. J. VAN TIGHEM | *Formerly Consul and Trade Commissioner in São Paulo, is now Commercial Secretary in Rio de Janeiro.* |

# THAILAND *imposes import controls*

*With world demand for rice falling off and with imports of consumer goods increasing steadily, Thailand's foreign exchange reserves dropped sharply in 1953. Result: the imposition of strict import controls.*

D. S. ARMSTRONG, *Trade Commissioner, Singapore.*

EVENTS IN NOVEMBER AND DECEMBER completely dominated the commercial scene in Thailand during 1953. On November 17 the Government issued a "Royal Decree Placing under Control Certain Imports". This decree included a comprehensive list of foodstuffs, tobacco, chemicals, petroleum products, manufactured goods, textiles and machinery—in fact, virtually all imports.

The announced purpose of this import control is twofold: to maintain economic stability and to preserve foreign exchange reserves. Most countries with balance of payment problems and foreign exchange controls are now showing steady improvement, so this move in the opposite direction is noteworthy. A brief review of Thailand's postwar economic development will help to explain the situation.

## Exchange Rate Appreciates

In 1945 the rate of exchange for Thai currency was ticals 30 to US$1.00. Thereafter it appreciated until in 1952 it stood in the free market at about ticals 18 to US$1.00. This improvement in the currency was almost entirely due to the peculiar position of rice, Thailand's number one export crop. Because of internal strife, Burma and Indo-China were not producing and exporting as much rice as they did prewar. In addition, other rice-eating countries such as India, Ceylon, Malaya and Indonesia were desperately short of this staple foodstuff. Thailand therefore found itself enjoying a lucrative sellers' market.

## Rice Shortage Finished

The world rice picture changed completely in 1953. Burma once again had sizable quantities for export; the United States and Italy were selling increasing quantities to Asian countries; Communist China made a deal with Ceylon to exchange rice for rubber (the first time mainland China has ever exported rice). Indonesia, with a population of 80 million and a rice deficit of up to 600 thousand tons, found she was again nearly self-sufficient and the Philippines too was able to manage without imports.

At the end of 1952 the British territories in South East Asia (Malaya, British Borneo and Hong Kong) asked Thailand for additional quantities and succeeded in getting only a part of their request. A year later Thailand offered these territories 80,000 tons in addition to the quantity already under contract, but the offer was declined. This was the first time since the war that Thailand had offered rice for sale. In Malaya the distribution and sale of rice is gradually being decontrolled—another sign of the times.

## Inflation and the Cost of Living

In 1950 and 1951 Thailand's other exports—tin, rubber, teak and wolfram ore—secured top prices on the world commodity markets because of the defence needs of the western world. In 1952, and particularly last year, world prices for these raw materials dropped, thereby adding to Thailand's foreign exchange problems. In addition, the Government in 1953 set a specially cheap "import rate" of ticals 16·67 to US$1.00 in an effort to ensure adequate consumer goods, reverse the inflationary trend, and bring down the cost of living. These beneficial terms led to a heavy increase in imports and a run on the foreign exchange reserves.

Thailand's current problems therefore result from first, the end of the sellers' market in rice; second, low returns for rubber, tin and other commodities which the country produces; third, the efforts made in the monetary field to combat inflation.

## Licences Issued

The first licences under the new control were issued to importers toward the end of December and their validity for Canadian and United States goods is generally four months. The promulgation of the Royal Decree was followed by a host of supplementary decrees and regulations, the most important of which was a demand for import, stock and price documentation for the last five years. Import licences for essential goods have been issued at a reasonably satisfactory rate. After the initial confusion in the market, prices did not show any great reaction. However, the hoped-for improvement in the value of the tical has not yet appeared.

When Thailand adjusts her economy to the changed world rice situation, she will in all probability be able to relax her import controls. Until that time Canadian exports, because they are primarily non-essential to an under-developed country, will suffer.

Canada's exports to Thailand fell from $1,976,000 in 1952 to $1,509,000, or roughly 25 per cent. This is comparable to the decline in business in other South-east Asian countries. Sales of Canadian flour, tinned milk and outboard motors held up and sales of certain chemical items increased, but exports of motor cars and parts, tires, batteries, typewriters, lamps, pens, aircraft parts and calcium carbide fell appreciably. ●

# trade and tariff regulations

## Belgium

IMPORT CONTROLS—Effective January 20, ferro-silico-manganese has been added to the goods requiring a licence when imported into Belgium and Luxembourg from all sources. This commodity is included in the Belgian list of dollar imports not subject to discrimination—Brussels, Feb. 23.

SEED POTATO IMPORTS—A Belgian decree of February 10 regulates the sale and import of seed potatoes. It requires, among other things, that imported seed potatoes must be officially recognized as such in the country of export and must show this fact by means of a certificate of quality and a label. The full text of the relevant decree is available in the International Trade Relations Branch of the Department of Trade and Commerce—Brussels, March 1.

## Federation of the Rhodesias and Nyasaland

TARIFF COMMISSION—The Federal Gazette announced on January 15 that a Tariff Commission would shortly be established to prepare customs and excise tariffs for the new Federation.

The Commission will require evidence to be submitted to it on tariff questions. Any interested Canadian firms or organizations which wish to make representations to the Commission should do so as soon as possible. Canadians may find it desirable to make such representations through their agents in the Rhodesias.

Evidence should be submitted to the Secretary, Tariff Working Party, P.O. Box 137, Causeway, Southern Rhodesia.

## Jamaica

OPEN GENERAL LICENCE—The Control Authority in Jamaica announced on February 10 that an Open General Licence has been granted to import the following goods from any country:

Meats
Fish, dried, smoked, pickled and salted
Canned fish
Onions
Split peas
Cheese
Powdered milk
Newsprint
Kraft paper.

This licence is granted on condition that the goods shall be wholly produced in the countries from which they are exported, that the importer be required to produce a certificate of origin for such imports, and that prior approval of the exchange control authorities, the Jamaica Defence (Finance) Board shall be secured for any payment for imports under the licence which is required to be made to a country other than the country of origin of the goods.

## Netherlands

IMPORT TAX REVISED—A Netherlands decree effective December 4, 1953, revises the list of goods subject to increased rates of turnover tax on importation.

The following goods have been exempted from the increases, making them subject to the same rates of turnover tax as similar goods produced in the Netherlands: cylinders for machines, certain types of cranes, one and two-wheel tractors and cultivators, centerless grinding machines, and sodium cyanide.

On the other hand, the import tax is now payable, at the rates shown, on: luggage of paperboard or paper (2 per cent); aluminum bars, wire, sheets, foil, tubes and pipes (3 per cent); dolls (2 per cent); and plywood with one face of beech or coniferous wood (3 per cent)—The Hague, March 11.

### Norway

CUSTOMS DUTY ON MACHINES—Effective February 17, Norway has temporarily cancelled a provision under which the Norwegian Customs Department could admit duty-free most types of otherwise dutiable machines when articles of approximate efficiency could be proved not to be manufactured in Norway. The only machines to which this concession remains applicable are machine pumps, certain types of air compressors, metal grinding machines, certain drilling machines for metal or wood, mechanical hand tools with motor, non-agricultural tractors and mowing machines, and parts of the above machines—Oslo, March 10.

### St. Kitts-Nevis

OPEN GENERAL LICENCE—The Supply Officer of St. Kitts-Nevis announced on March 4th that the following goods may be imported from any country provided that they are wholly produced in the country of origin, that payment is made to that country and that a certificate of origin is provided:

Tinplate, terneplate or black plate
Semi-manufactured copper
Semi-manufactured zinc
Semi-manufactured nickel
Borax
Boric acid
Newsprint
Jute goods
Onions
Dried, smoked, pickled and salted fish
Potatoes
Animal feeding stuffs excluding coconut meal, cotton seed meal, wheat and wheat flour
Finished steel (excluding fabricated steel) as follows:
(*a*) heavy steel products including rails, sleepers, etc., and heavy and medium plate;
(*b*) light rolled products including bars, rods, hoops and strips;
(*c*) steel sheets;
(*d*) wire, plain or barbed other than insulated wire;
(*e*) wire rods;
(*f*) tubes and pipes including tube fittings;
(*g*) tires, wheels and axles;
(*h*) steel forgings;
(*i*) nails, screws, nuts and bolts;
Kraft paper
Cheese
Fish, canned
Meat
Milk, powdered and canned
Split peas.

### United Kingdom

PRIVATE TRADING IN TUNGSTEN RESTORED—The Ministry of Materials has announced that private trading in tungsten ores and concentrates will be restored on April 1st, 1954. Private imports will be licensed from all sources except the dollar area. The Ministry currently holds stocks and the co-operation of the trade has been obtained in order that these stocks may be disposed of in the early months of private trading with a minimum of disturbance to the market—London, March 3.

### United States

CANADIAN COAL, COKE AND BRIQUETTES EXEMPT FROM U.S. INTERNAL REVENUE TAX—The *Federal Register,* issue of March 9, 1954, advises: "Coal, coke made from coal, and coal or coke briquettes imported from the following countries and entered for consumption or withdrawn from warehouse for consumption during the period from January 1 to December 31, 1954, inclusive, will not be subject to the tax of 10 cents per 100 pounds prescribed in the Internal Revenue Code, section 3423:

Canada
France
French Morocco
Italy
Netherlands
Netherlands Antilles

"Coal, coke made from coal, and coal or coke briquettes produced in the United Kingdom, imported into the United States directly or indirectly therefrom, and entered for consumption or withdrawn from warehouse for consumption during the calendar year 1954 will be exempt from the tax by virtue of the Internal Revenue Code, section 3420."

*(Note: The tax provided for coal, coke and briquettes in the Internal Revenue Code does not apply if, during the preceding calendar year, United States exports of these products to Canada have been greater in quantity than imports of such articles into the United States from Canada.)*

## Data for Exporters

*The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Austria, Belgium, Belgian Congo, Brazil, Chile, Colombia, Cuba, Denmark, Dominican Republic, Egypt, Finland, France, Western Germany, Greece, Guatemala, Haiti, Iceland, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland and Venezuela.*

*If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.*

# foreign trade service abroad

* No Foreign Trade Officer at this post.
Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

| Territory | Officer | City Address | Mail and Cables, Office Telephone |
|---|---|---|---|
| **Argentina** | C. S. Bissett,<br>Commercial Counsellor<br>W. F. Hillhouse,<br>Agricultural Secretary | Canadian Embassy,<br>Bartolome Mitre 478,<br>Buenos Aires | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* 33-8237 |
| **Australia**<br>(Capital Territory,<br>New South Wales,<br>Queensland,<br>Northern Territory)<br>Dependencies | C. M. Croft,<br>Commercial Counsellor<br>for Canada<br>C. M. Forsyth-Smith,<br>Assistant Commercial<br>Secretary | City Mutual Life Building,<br>60 Hunter Street,<br>Sydney | *Mail:*<br>P.O. Box 3952 G.P.O.<br>*Cable:* Canadian<br>*Tel.:* BW 9351 |
| Australia<br>(Victoria, South<br>Australia, Western<br>Australia, Tasmania) | R. W. Blake,<br>Commercial Secretary<br>for Canada and<br>Agricultural Secretary | 83 William Street,<br>Melbourne | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* MU 4716 |
| **Belgian Congo**<br>Angola, French<br>Equatorial Africa | A. B. Brodie,<br>Canadian Government<br>Trade Commissioner | Forescom Building,<br>Leopoldville 1. | *Mail:*<br>Bôite Postale 373<br>*Cable:* Canadian<br>*Tel.:* 2706 |
| **Belgium**<br>Luxembourg | T. J. Monty,<br>Commercial Secretary<br>K. G. Ramsay,<br>Assistant Commercial<br>Secretary | Canadian Embassy,<br>35 rue de la Science,<br>Brussels | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* 11-33-88 |
| **Brazil** | C. J. Van Tighem,<br>Commercial Secretary<br>T. F. Harris,<br>Assistant Commercial<br>Secretary | Canadian Embassy,<br>Edificio Metropole,<br>Av. Presidente Wilson 165,<br>Rio de Janeiro | *Mail:*<br>Caixa Postal 2164<br>*Cable:* Canadian<br>*Tel.:* 42-4140 |
| Brazil | M. P. Carson,<br>Vice Consul and Acting<br>Trade Commissioner | Canadian Consulate,<br>Edificio Alois,<br>Rua 7 de Abril 252,<br>Sao Paulo | *Mail:*<br>Caixa Postal 6034<br>*Cable:* Canadian<br>*Tel.:* 36-6301 |
| ***Ceylon** | Office of the<br>High Commissioner<br>for Canada | 6 Gregory's Road,<br>Cinnamon Garden,<br>Colombo | *Mail:* P.O. Box 1006<br>*Cable:* Domcan<br>*Tel.:* 5876 |
| **Chile** | Commercial Secretary | Canadian Embassy,<br>6th Floor,<br>Av. General Bulnes, 129,<br>Santiago | *Mail:* Casilla 771<br>*Cable:* Canadian<br>*Tel.:* 64189 |
| **Colombia**<br>Ecuador | W. J. Millyard,<br>Commercial Secretary<br>J. P. Lancaster,<br>Assistant Commercial<br>Secretary | Canadian Embassy,<br>Avenida Jimenez No. 7-25,<br>Office 613,<br>Bogota | *Mail:* Apartado 1618<br>*Airmail:*<br>Apartado Aereo 3562<br>*Cable:* Canadian<br>*Tel.:* 12-251 |
| **Cuba** | G. A. Browne,<br>Commercial Secretary<br>W. R. Van,<br>Assistant Commercial<br>Secretary | Canadian Embassy,<br>Edificio Motor Centre,<br>Calle Infanta 16,<br>Havana | *Mail:* Apartado 1945<br>*Cable:* Canadian<br>*Tel.:* UO-9457 |
| **Dominican Republic**<br>Haiti, Puerto Rico | R. E. Gravel,<br>Canadian Government<br>Trade Commissioner | Edificio Copello 408,<br>Calle El Conde,<br>Ciudad Trujillo | *Mail:* Apartado 451<br>*Cable:* Canadian<br>*Tel.:* 5318 |
| Dominican Republic<br>Haiti, Puerto Rico<br>Jamaica | E. M. Gosse,<br>Canadian Trade<br>Commissioner (Fisheries) | | |

| Territory | Officer | City Address | Mail and Cables, Office Telephone |
|---|---|---|---|
| **Egypt**<br>Aden, Sudan, Cyprus, Ethiopia, Saudi Arabia | A. G. Kniewasser, Acting Canadian Government Trade Commissioner | Osiris Building,<br>Sharia Walda,<br>Kasr-el-Doubara,<br>CAIRO | *Mail:* P.O. Box 1770<br>*Cable:* CANADIAN<br>*Tel.:* 23110 |
| **France**<br>Algeria, French Morocco, French West Africa, Tunisia | B. C. Butler, Commercial Counsellor for Canada | 3 rue Scribe,<br>PARIS | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* OPEra 42-30 |
| | L. A. Campeau, Assistant Commercial Secretary | | |
| | J. H. Stone, Asssistant Commercial Secretary | | |
| **Germany**<br>Federal Republic | B. A. Macdonald, Commercial Counsellor | Canadian Embassy,<br>22 Zitelmannstrasse,<br>BONN | *Mail:* (City Address<br>*Cable:* CANADIAN<br>*Tel.:* Bonn 21971 |
| | I. V. Macdonald, Assistant Commercial Secretary | | |
| Germany | Wm. Van Vliet, Agricultural Secretary | | |
| **Greece**<br>Israel, Turkey | H. W. Richardson, Commercial Secretary | Canadian Embassy,<br>31 Vassilissis Sophias Ave.,<br>ATHENS | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* 72-853 |
| **Guatemala**<br>Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone | J. C. Depocas, Canadian Government Trade Commissioner | 28, 5a Avenida Sud,<br>GUATEMALA CITY | *Mail:* P.O. Box 444<br>*Airmail:* P.O. Box 400<br>*Cable:* CANADIAN<br>*Tel.:* 5590 |
| | G. A. Cooper, Assistant Trade Commissioner | | |
| **Hong Kong**<br>China, Indo-China, Macao, Taiwan | T. R. G. Fletcher, Canadian Government Trade Commissioner | Hong Kong and Shanghai Banking Corporation Bldg.,<br>HONG KONG | *Mail:* P.O. Box 126<br>*Cable:* CANADIAN<br>*Tel.:* 28336 |
| | M. B. Blackwood, Assistant Trade Commissioner | | |
| **India** | Richard Grew, Commercial Counsellor | Office of the High Commissioner for Canada.<br>4 Aurangzeb Road,<br>NEW DELHI | *Mail:* P.O. Box 11<br>*Cable:* CANADIAN<br>*Tel.:* 40191 |
| India | D. M. Holton, Canadian Government Trade Commissioner | Gresham Assurance House,<br>Mint Road,<br>BOMBAY | *Mail:* P.O. Box 886<br>*Cable:* CANADIAN<br>*Tel.:* 20672 |
| | W. P. Birmingham, Assistant Trade Commissioner | | |
| **Indonesia** | W. D. Wallace, Commercial Secretary | Canadian Embassy,<br>Tanah Abang Timur 2,<br>DJAKARTA | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* Gambir 499 |
| **Ireland** | T. G. Major, Commercial Counsellor for Canada | 66 Upper O'Connell St.,<br>DUBLIN | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* 44251 |
| **Italy**<br>Libya, Malta, Yugoslavia | S. G. MacDonald, Commercial Counsellor | Canadian Embassy,<br>Via Saverio Mercadante 15,<br>ROME | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* 846-842 |
| | A. A. Caron, Assistant Commercial Secretary | | |
| Italy | C. F. Wilson, Agricultural Counsellor | | |
| Italy | M. S. Strong, Commercial Secretary (Fisheries) | | |

| Territory | Officer | City Address | Mail and Cables, Office Telephone |
|---|---|---|---|
| **Jamaica**<br>Bahamas,<br>British Honduras | M. B. Palmer,<br>Canadian Government<br>Trade Commissioner | Canadian Bank of<br>Commerce Chambers,<br>Kingston | *Mail:* P.O. Box 225<br>*Cable:* Canadian<br>*Tel.:* 2858 |
| **Japan**<br>Korea | J. C. Britton,<br>Commercial Counsellor | Canadian Embassy,<br>Tokyo | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* 48-4116 |
| | R. F. Renwick,<br>Assistant Commercial<br>Secretary | | |
| Japan | Paul Sykes,<br>Canadian Government<br>Trade Commissioner | 7th Floor, Crescent Bldg.,<br>72 Kyomachi, Ikutaku,<br>Kobe | *Mail:* P.O. Box 513<br>*Cable:* Canadian<br>*Tel.:* 48966 |
| **Lebanon**<br>Iraq, Jordan, Syria | G. F. G. Hughes<br>Canadian Government<br>Trade Commissioner | Centre Urbain Emir Beshir,<br>Bâtiment A1,<br>Rue Emir Beshir, L'Azarieh,<br>Beirut | *Mail:*<br>Bôite Postale 2300<br>*Cable:* Canadian |
| **Mexico** | M. T. Stewart,<br>Commercial Counsellor | Canadian Embassy,<br>Edificio Internacional,<br>Paseo de la Reforma,<br>Mexico, D. F. | *Mail:*<br>Apartado 126-Bis<br>*Cable:* Canadian<br>*Tel.:* 36-27-90 |
| | S. G. Tregaskes,<br>Assistant Commercial<br>Secretary | | |
| **Netherlands** | V. L. Chapin,<br>Commercial Secretary | Canadian Embassy,<br>Sophialaan 1-A,<br>The Hague | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* 18-51-06 |
| | W. G. Pybus,<br>Assistant Commercial<br>Secretary | | |
| Netherlands<br>Belgium, Denmark,<br>Luxembourg | C. J. Small<br>Acting<br>Agricultural Secretary | | |
| **New Zealand**<br>Fiji, Western Samoa | L. S. Glass,<br>Commercial Counsellor | Office of the High Commissioner<br>for Canada, Government Life<br>Insurance Bldg.,<br>Wellington | *Mail:* P.O. Box 1660<br>*Cable:* Canadian<br>*Tel.:* 70-644 |
| **Norway**<br>Denmark, Greenland | J. L. Mutter,<br>Commercial Counsellor | Canadian Legation,<br>Fridtjof Nansens Plass 5,<br>Oslo | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* 33-30-80 |
| **Pakistan**<br>Afghanistan, Iran | R. K. Thomson,<br>Commercial Secretary | Office of the<br>High Commissioner for Canada,<br>Hotel Metropole, Victoria Rd.,<br>Karachi | *Mail:* P.O. Box 3703<br>*Cable:* Canadian<br>*Tel.:* 5826 |
| **Peru**<br>Bolivia | H. J. Horne,<br>Commercial Secretary | Canadian Embassy,<br>Edificio Boza, Carabaya 831,<br>Plaza San Martin,<br>Lima | *Mail:* Casilla 1212<br>*Cable:* Canadian<br>*Tel.:* 71150 |
| **Philippines** | F. H. Palmer,<br>Consul General<br>and Trade Commissioner | Canadian Consulate General,<br>Ayala Building,<br>Juan Luna Street,<br>Manila | *Mail:* P.O. Box 1825<br>*Cable:* Canadian<br>*Tel.:* 3-33-35 |
| | H. E. Lemieux,<br>Vice Consul and<br>Assistant Trade<br>Commissioner | | |
| **Portugal**<br>Azores, Madeira | L. M. Cosgrave,<br>Commercial Counsellor | Canadian Legation,<br>Avenida de Praia da Vitoria,<br>48—1°D.,<br>Lisbon | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* 53117 |
| **Singapore**<br>Brunei, Burma,<br>Federation of<br>Malaya,<br>North Borneo,<br>Sarawak, Thailand | D. S. Armstrong,<br>Canadian Government<br>Trade Commissioner | Room D-5, Union Building,<br>Singapore | *Mail:* P.O. Box 845<br>*Cable:* Canadian<br>*Tel.:* 7739 |

| Territory | Officer | City Address | Mail and Cables, Office Telephone |
|---|---|---|---|
| **South Africa**<br>(Natal, Transvaal)<br>Federation of Rhodesia and Nyasaland, Mozambique, Kenya, Tanganyika, Uganda, Zanzibar | K. F. Noble, Canadian Government Trade Commissioner<br>H. E. Campbell, Assistant Trade Commissioner | Mutual Building,<br>Harrison Street,<br>JOHANNESBURG | *Mail:* P.O. Box 715<br>*Cable:* CANTRACOM<br>*Tel.:* 33-2628 |
| South Africa<br>(Cape Province, Orange Free State),<br>Southwest Africa, Mauritius, Madagascar | A. W. Evans, Canadian Government Trade Commissioner | Grand Parade Centre Bldg.,<br>Adderley Street,<br>CAPE TOWN | *Mail:* P.O. Box 683<br>*Cable:* CANTRACOM<br>*Tel.:* 2-5134/5 |
| **Spain**<br>Balearic Islands, Canary Islands, Gibraltar, Rio de Oro, Spanish Morocco, Tangier | E. H. Maguire, Commercial Secretary | Canadian Embassy,<br>Edifico España,<br>Avenida de Jose Antonio 88,<br>MADRID | *Mail:* Apartado 117<br>*Cable:* CANADIAN<br>*Tel.:* 22-28-10 |
| **Sweden**<br>Finland | F. W. Fraser, Commercial Counsellor | Canadian Legation,<br>Strandvagen, 7-C,<br>STOCKHOLM | *Mail:* P.O. Box 14042<br>*Cable:* CANADIAN<br>*Tel.:* 67-92-15 |
| **Switzerland**<br>Austria, Czechoslovakia, Hungary | Yves Lamontagne, Commercial Counsellor<br>W. R. Hickman, Assistant Commercial Secretary | Canadian Embassy,<br>Kirchenfeldstrasse 88,<br>BERNE | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* 4-63-81 |
| **Trinidad**<br>Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, French West Indies | P. V. McLane, Canadian Government Trade Commissioner<br>R. R. Parlour, Assistant Trade Commissioner | Colonial Building,<br>72 South Quay,<br>PORT-OF-SPAIN | *Mail:* P.O. Box 125<br>*Cable:* CANADIAN<br>*Tel.:* 34787 |
| **United Kingdom**<br>(South of England, East Anglia, Scotland), Iceland, British West Africa (Gambia, Gold Coast, Nigeria, Sierra Leone) | R. P. Bower, Commercial Counsellor<br>R. Campbell Smith, Commercial Secretary<br>T. M. Burns, Assistant Commercial Secretary | Office of the<br>High Commissioner for Canada,<br>Canada House,<br>Trafalgar Square,<br>LONDON, S.W.1 | *Mail:* (City Address)<br>*Cable:* SLEIGHING<br>*Tel.:* Whitehall 8701 |
| United Kingdom | D. A. B. Marshall, Commercial Secretary (Agricultural) | | |
| United Kingdom | G. H. Rochester, Commercial Secretary (Timber) | | *Cable:* TIMCOM |
| United Kingdom<br>(Midlands, North England, Wales) | M. J. Vechsler, Canadian Government Trade Commissioner | Martins Bank Building,<br>Water Street,<br>LIVERPOOL | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* Central 0625 |
| United Kingdom<br>(Northern Ireland) | T. G. Major, Canadian Government Trade Commissioner | 36 Victoria Square,<br>BELFAST | *Mail:* (City Address)<br>*Tel.:* 21867 |
| **United States**<br>Delaware, Maryland, Virginia, West Virginia | R. G. C. Smith, Commercial Counsellor<br>S. V. Allen, Commercial Counsellor | Canadian Embassy,<br>1746 Massachusetts Ave., N.W.<br>WASHINGTON, 6. D.C. | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* DEcatur 2-1011 |
| United States | Dr. W. C. Hopper, Agricultural Counsellor<br>W. L. Porteous, Assistant Agricultural Secretary | | |

| Territory | Officer | City Address | Mail and Cables, Office Telephone |
|---|---|---|---|
| United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda, Liberia | Deputy Consul General and Trade Commissioner<br>C. R. Gallow, Consul and Trade Commissioner<br>C. E. Butterworth, Vice Consul and Assistant Trade Commissioner | Canadian Consulate General,<br>620 Fifth Ave.,<br>New York City 20 | *Mail:* (City Address)<br>*Cable:* Cantracom<br>*Tel.:* JUdson 6-2400 |
| United States | M. B. Bursey, Consul and Trade Commissioner (Fisheries) | Canadian Consulate General,<br>620 Fifth Ave.,<br>New York 20, N.Y. | *Mail:* (City Address)<br>*Cable:* Cantracom<br>*Tel:* JUdson 6-2400 |
| United States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire) | D. H. Cheney, Vice Consul and Trade Commissioner | Canadian Consulate General,<br>532 Little Building,<br>80 Boylston Street,<br>Boston 16 | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* HAncock 6-4320 |
| United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri) | R. V. N. Gordon, Vice Consul and Trade Commissioner | Canadian Consulate General,<br>Chicago Daily News Bldg.,<br>400 West Madison Street,<br>Chicago 6 | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* STate 2-7312 |
| United States (Michigan, Ohio) | A. E. Bryan, Consul and Trade Commissioner<br>J. H. Bailey, Vice Consul and Assistant Trade Commissioner | Canadian Consulate,<br>1035 Penobscot Building,<br>Detroit 26 | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* WOodward 5-2811 |
| *United States (City of Los Angeles, Southern California, Arizona) | Consul General | Canadian Consulate General,<br>510 West Sixth Street,<br>Los Angeles 14 | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* VAndike 2233 |
| United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida) | G. A. Newman, Consul and Trade Commissioner<br>C.O.R. Rousseau, Vice Consul and Assistant Trade Commissioner | Canadian Consulate,<br>215-217 International Trade Mart,<br>New Orleans 12 | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* RAymond 2136 |
| *United States (Northern California. Wyoming, Nevada, Utah, Colorado, New Mexico), Hawaii | Consul General | Canadian Consulate General,<br>3rd Floor, Kohl Building,<br>400 Montgomery Street,<br>San Francisco 4 | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* SUtter 1-3039 |
| *United States (Oregon, Idaho, Washington, Montana), Alaska | Consul General | Canadian Consulate General,<br>The Tower Building<br>Seventh Avenue at Olive Way,<br>Seattle 1, Washington | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* MUtual 3515 |
| **Uruguay**<br>Paraguay | W. Gibson-Smith, Commercial Secretary | Canadian Embassy,<br>Montevideo | *Mail:* Casilla Postal 852<br>*Cable:* Canadian |
| **Venezuela**<br>Netherlands Antilles | J. A. Stiles, Commercial Secretary<br>F. B. Clark, Assistant Commercial Secretary | Canadian Embassy,<br>Edificio Pan American,<br>Puente Urapal,<br>Caracas | *Mail:* Apartado 3306<br>*Cable:* Canadian<br>*Tel.:* 55818 |
| Venezuela<br>Colombia | D. B. Laughton, Acting Agricultural Secretary | | |

*The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.*

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·02926.

# foreign exchange rates

| Country | Unit | Type of Exchange | Canadian dollar equiv. March 19 | Notes (See below) |
|---|---|---|---|---|
| Argentina | Peso | Preferential buying | ·1295 | |
| | | Basic buying | ·1943 | |
| | | Preferential selling | ·1943 | (1) |
| | | Basic selling | ·1295 | |
| | | Free | ·06994 | |
| Austria | Schilling | | ·03737 | |
| Australia | Pound | | 2·1880 | |
| Belgium Luxembourg & Belgian Dependencies | Franc | | ·01933 | |
| Bolivia | Boliviano | Official | ·00511 | |
| British West Indies | Dollar | | ·5698 | (3) |
| | Pound | | 2·7350 | (4) |
| | Dollar | Brit. Honduras | ·6837 | |
| Brazil | Cruzeiro | Official selling | ·05162 | tax 8% |
| | | Effective buying | ·03426 | (2) |
| | | Coffee buying | ·04159 | (5) |
| Burma | Kyat | | ·2040 | |
| Ceylon | Rupee | | ·2051 | |
| Chile | Peso | Official | ·00883 | (1) |
| Colombia | Peso | Basic | ·3886 | |
| Costa Rica | Colon | Official | ·1730 | (6) |
| | | Controlled free | ·1463 | |
| Cuba | Peso | | ·9716 | tax 2% |
| Czechoslovakia | Koruna | | ·1349 | |
| Denmark | Krone | | ·1407 | |
| Dominican Republic | Peso | | ·9716 | |
| Ecuador | Sucre | Official | ·06477 | |
| | | Free | ·05606 | |
| Egypt | Pound | | 2·7899 | |
| Fiji | Pound | | 2·4640 | |
| Finland | Markka | | ·00422 | |
| France | Franc | | ·00278 | (7) |
| French Africa | Franc | | ·00556 | (8) |
| French Pacific | Franc | | ·01528 | (9) |
| Germany | D Mark | | ·2313 | |
| Greece | Drachma | | ·000032 | |
| Guatemala | Quetzal | | ·9716 | |
| Haiti | Gourde | | ·1943 | |
| Honduras | Lempira | | ·4858 | |
| Hong Kong | Dollar | Free | ·1652 | *Mar. 12 |
| Iceland | Krona | Official | ·05966 | |
| | | Special buying | ·04593 | |
| | | Special selling | ·03701 | |
| India | Rupee | | ·2051 | |
| Indonesia | Rupiah | Basic | ·08522 | (10) |
| Iran | Rial | Certificate | ·01076 | |
| Iraq | Dinar | | 2·7204 | |

---

* Latest available quotation date.

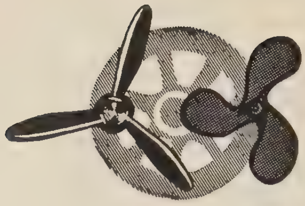
| Country | Unit | Type of Exchange | Canadian dollar equiv. March 19 | Notes (See below) |
|---|---|---|---|---|
| Ireland | Pound | | 2·7350 | |
| Israel | Pound | Effective basic | ·9716 | |
| | | Premium | ·5397 | |
| Italy | Lira | | ·00156 | |
| Japan | Yen | | ·00270 | |
| Lebanon | Pound | Free | ·3026 | |
| Mexico | Peso | | ·1123 | |
| Netherlands | Guilder | | ·2566 | |
| Netherlands Antilles | Guilder | | ·5152 | |
| New Zealand | Pound | | 2·7350 | |
| Nicaragua | Cordoba | Effective buying | ·1472 | (11) |
| | | Official selling | ·1378 | |
| | | With Surcharge I | ·1206 | |
| | | With Surcharge II | ·09667 | |
| Norway | Krone | | ·1360 | |
| Pakistan | Rupee | | ·2937 | |
| Panama | Balboa | | ·9716 | |
| Paraguay | Guarani | Basic | ·06477 | (1) |
| | | With Surcharge I | ·04626 | |
| | | With Surcharge II | ·03238 | (12) |
| Peru | Sol | Certificate | ·05087 | |
| Philippines | Peso | | ·4858 | tax 17% (2) |
| Portugal | Escudo | | ·03391 | (13) |
| El Salvador | Colon | | ·3886 | |
| Singapore & Malaya | Straits dollar | | ·3191 | |
| South Africa (Union of) | Pound | | 2·7350 | |
| Spain & Dependencies | Peseta | Basic buying | ·04436 | |
| | | Basic selling | ·08659 | |
| | | Basic commercial selling | ·05915 | (1) |
| | | Free | ·02494 | |
| Sweden | Krona | | ·1878 | |
| Switzerland | Franc | | ·2265 | |
| Syria | Pound | Free | ·2700 | *Feb. 15 |
| Thailand | Baht | Official | ·07772 | (1) |
| | | Free | ·04595 | *Jan. 29 |
| Turkey | Lira | | ·3470 | |
| United Kingdom | Pound | | 2·7350 | |
| United States | Dollar | | ·9716 | |
| Uruguay | Peso | Official | ·6396 | |
| | | Basic buying | ·5458 | |
| | | Special buying | ·4134 | (1) |
| | | Basic selling | ·5113 | |
| | | Special selling | ·3965 | |
| Venezuela | Bolivar | | ·2900 | (14) |
| Yugoslavia | Dinar | | ·00324 | |

* Latest available quotation date.

# notes

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only; certain essential imports exempt.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Brazil: Effective import rate is official rate plus free certificate rate. Certificate rate varies according to commodity.
6. Costa Rica: Official rate applies to all Costa Rican exports.
7. Metropolitan France, Algeria, Tunisia, Morocco, French Guiana, Guadeloupe, Martinique.
8. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
9. New Caledonia, New Hebrides, Oceania.
10. Indonesia: Basic rate applies to all exports and essential imports. Rupiah value for other than essential imports is reduced by 33⅓ per cent, 100 per cent or 200 per cent depending on product.
11. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
12. Paraguay: Basic rate applies to most Paraguayan exports.
13. Approximately same rate for currencies of Portuguese Territories in Africa.
14. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

# transportation notes



### Australia

SERVICE TO NORTH AMERICA—Because of the success of the Orient liner *Oronsay's* experimental voyage to Canada and the United States in January, four more trips will be made this year—two more than originally planned. Two other ships, the *Orion* and *Orcades,* will also each make a trip—Sydney, March 4.

TOURIST AIR SERVICES—Qantas Empire Airways will introduce tourist class air travel between Sydney and London in April. Subject to government approval, Pan American World Airways, British Commonwealth Pacific Airlines Limited and Canadian Pacific Airlines Limited will also establish a similar service between Sydney and the United States and Canada. The new fares will be about 20 per cent cheaper than at present—Sydney, March 10.

### Brazil

PIPELINE—New pipelines are being constructed to supply the refineries at Cubatao and Capuava which are scheduled to begin operations in mid-1954. A pipeline, 22″ in diameter and 11 kilometres in length, which will link the port of Santos with the pumping station in Cubatao, has already been started. Another one, 12″ in diameter and 35 kilometres in length, will join Cubatao and Capuava. A third, 8″ in diameter and 9½ kilometres in length, will be built to carry the refined products from the refinery at Capuava to the distribution tanks at Utinga. The cost of these new pipelines has been estimated at 75 million cruzeiros; the National Development Bank is financing the construction—São Paulo, Feb. 24.

### Ecuador

HIGHWAY PROGRAM—The International Bank for Reconstruction and Development has made a loan of US$8·5 million for a highway construction program in Ecuador. This project is designed to open up the fertile hinterland of Guayaquil, Ecuador's largest city and chief port. It is expected that the output of regional crops such as cotton, rice and sugar will be substantially expanded and that the foreign exchange earnings from exports of these primary commodities will more than offset the amounts needed to secure the Bank's loan. This is the first loan made by the World Bank to Ecuador—Bogotá, March 10.

### Egypt

DOMESTIC SHIPPING—The Egyptian Government has granted priority for the carriage of government imports and exports to Egyptian shipping companies. Three leading companies have formed a consortium with a view to gaining this trade and propose to handle as much tonnage as possible with their own vessels and to charter foreign ships for the remainder—Cairo, March 5.

### Singapore

NEW DRYDOCK—A new Queen's Graving Dock 605 feet long, 100 feet wide and 35 feet high is being constructed for the Singapore Harbour Board. The new dock represents the first stage of an extensive development scheme planned for the port of Singpore. It is designed to accommodate almost any vessel, but primarily large oil tankers. Most of the building materials and engineering staff will be British and it will take about two years to complete—Singapore, March 3.

### South Africa

SHIPPING SERVICE—According to an announcement by the Minister of Economic Affairs, the Government has decided to help establish a regular monthly shipping service to develop export trade with the West African territories as far as the Gold Coast. Three ships of about 3,500 tons carrying capacity, exclusive of 250 tons of refrigerated space, would maintain the service. Tenders from South African shipping companies would receive special consideration—Cape Town, March 3.

THERE'S plenty ~~NOTHING~~ NEW UNDER THE SUN...

*New scientific and industrial achievements . . . new products for the home, office and factory . . . new designs . . . new ideas.*

***see***

*them*

*at*

*the*

# CROSSROADS OF WORLD TRADE

CHICAGO PUBLIC LIBRARY
DOCUMENTS DEPT.
78 E. WASHINGTON ST. 12-53
CHICAGO 2, ILL. USA.
6C14239 W.S-80-

Here is your only opportunity in North America to see each year the newest developments in business and industry from around the world, assembled at one time and in one place . . . an opportunity you and your management and technical personnel cannot afford to miss.

A visit to the Trade Fair is, in effect, a business trip around the world. It would take years to do what can be done within two weeks at the Canadian International Trade Fair.

***everyone can profit from the TRADE FAIR***

For information write: The Administrator, Canadian International Trade Fair, Exhibition Park, Toronto 2B, Ontario.

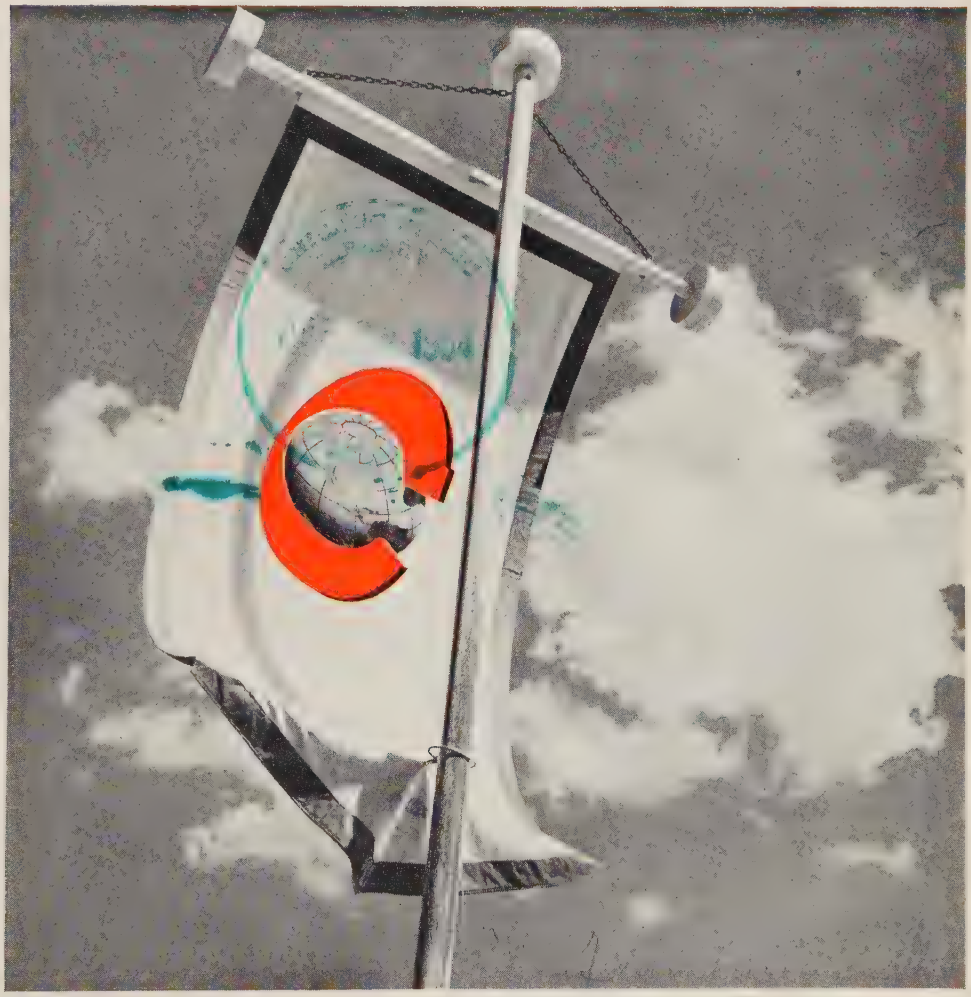
## 1954 7th Annual CANADIAN International TRADE FAIR

**TORONTO**
**MAY 31-**
**JUNE 11**
**1954**

OPERATED BY THE GOVERNMENT OF CANADA TO PROMOTE YOUR BUSINESS

APRIL 17, 1954

# foreign trade



PREVIEW: Canadian International Trade Fair

2 Mr. Jones Goes to the Fair
6 Aircraft Machinery and Parts
7 Building Supplies and Materials, Heating and Plumbing Equipment
8 Electrical Equipment (Industrial), Electrical Tools, Motors
9 Farm Implements and Equipment
10 Food Products, Beverages
11 Footwear, Leather and Leather Products
12 Household Furnishings and Appliances, Musical Instruments, Sporting Goods and Toys
14 Institutional Exhibits
16 Jewellery, Silverware, Glass and Ceramics
17 Machine Tools
21 Metals, Chemicals and Raw Materials
22 Office Equipment and Supplies, Paper Products, Publications
24 Optical and Medical Instruments and Equipment
25 Packaging and Materials Handling Equipment
26 Plant Machinery and Equipment, Hand Tools
29 Power Equipment
30 Road-Building and Construction Equipment
31 Scientific Equipment and Supplies, Precision Tools and Gauges
33 Smallwares and Hardware
34 Textile Products, Carpets, Upholstery, Textile Machinery
36 Tobacco and Accessories
36 Transportation Equipment
37 Guide to the Fair
39 Trade and Tariff Regulations

CANADA

# foreign trade

Established in 1904

Published fortnightly by the Department of Trade and Commerce.
The Right Honourable C. D. HOWE, Minister,
WM. FREDERICK BULL, Deputy Minister.

**OTTAWA, APRIL 17, 1954, Vol. 101, No. 6**

Please forward all subscriptions and orders to:
The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad.
Single copies: 20 cents each.

Material appearing in this magazine may be freely reprinted, preferably giving credit to "Foreign Trade"

**cover** This issue brings our readers a preview of the Seventh Canadian International Trade Fair, to be held in Toronto's Exhibition Park from May 31 to June 11. Last year the Fair attracted more than 28,000 business visitors from sixty different countries.

# Mr. Jones Goes to the Fair

*Mr. Jones is, of course, an imaginary character, but the things which he sees on his first trip to the Trade Fair are completely authentic, and his experiences there are drawn from those of other visitors in other years, and from their written comments.*

O. MARY HILL,
Editor, *Foreign Trade*

THE WIND WAS WHIPPING UP WAVES on Lake Ontario and fluttering the flags on the Coliseum rooftop as Mr. Jones, briefcase in hand, came striding up to the registration hut at the Canadian International Trade Fair. From his wallet he extracted his card, identifying him as an Ohio businessman.

"We're glad to see you at the Fair, sir—and in Canada", said the girl on the registration counter. "We are asking all business visitors from outside Canada to register at the foreign business visitors' lounge. It's in that aluminum prefab just over there."

Inside the lounge Mr. Jones received the same cordial welcome.

### Guest of Canada

"How did you hear about the C.I.T.F., Mr. Jones?" asked the girl, as he was completing the registration formalities.

"A business associate of mine, a Cleveland manufacturer, came up last year and found the trip very worthwhile. I was in his office one day last winter and saw some of the pamphlets on this year's Fair. Later, a Trade Fair representative called on me and told me about some of the equipment in my line that would be displayed. It should be worth seeing."

"Your hotel reservation is all fixed up?"

"Yes—I did as the representative suggested and wrote your office early for reservations. Told them I would be driving up and they recommended a motel out on the Lakeshore Road. Comfortable, too."

"Good. Here's your badge—a silver one to identify you as a buyer—your "Guest of Canada" ribbon, and your catalogue. No charge. The map and charts in the front of the catalogue will give you the booth locations. If you are pressed for time, we can supply you with a guide—or an interpreter, if you find you want to talk business with some of our foreign exhibitors whose English may be limited. And this lounge is specially for businessmen like you. We hope you'll use it as much as possible. If you want information on Canada or on special trade problems, the government and trade association booths in the main reception area have experts on duty."

### Voyage of Discovery

Before starting out, Mr. Jones took a few minutes to glance over the catalogue, carefully noting exhibitors showing plastics machinery and plastic products. Then he made for the Coliseum, with its aluminum facade gleaming in the sun and crowned with the great red "C"—the Trade Fair symbol. As he entered, he noted the red-jacketed Mounties on duty, a colorful touch.

Glancing around the reception area, his eye took in the provincial and federal government booths, the stands manned by the trade associations, and the busy information desk. A bit confused despite the catalogue, he stepped up to the counter.

"Plastics machinery?" said the girl. "That's in Plant Machinery. Some of those exhibits are in E3, the Industry Building. Turn to your right, walk through E1, and you'll come into the Industry Building. The rest of the Plant Machinery is in E4, the Automotive Building, across the main avenue."

That turn to the right brought Mr. Jones into the authentic Fair atmosphere. Up and down the long aisles stretched booths filled with pots and pans, with hi-fi equipment, with toys and lighting fixtures, and hundreds of other products. Almost immediately he was examining some plastic toys and discussing with the exhibitor whether plastics could continue to gain against wood and metal in this field.

When he moved on, he found himself in the midst of one of the biggest displays of office equipment he had seen, brought from half a dozen countries. He spotted a group of men gathered around a girl who was demonstrating a miniature adding machine. It looked something like a tiny cash register but it could add and subtract and work out a credit balance.

"Handy thing for men out in the field doing estimating or sales reports," said one of the men standing near him. "I met a man who has decided to act as agent for it in the West. Plenty of manufacturers' agents come to the Fair looking for new lines to handle. By the way, if you employ any draftsmen, take a look at the pencil sharpener two booths to the left."

The office equipment section proved so interesting that it was after eleven when Mr. Jones remembered that he had come primarily to look at plastics machinery. But before he went into the Industry Building he stopped at a convenient snack bar for a reviving cup of coffee.

### Attaining His Objective

The Industry Building, he discovered, had every appearance of a huge machinery display room. White-jacketed attendants bent over complicated machine tools while intent faces watched the machinery's performance. In some cases, business had progressed beyond the inspection stage; two or three men were grouped in a corner of the booth, obviously closing a deal. Above each stand was the company's name—some were English, some French, some Swedish, some Italian, some German. Altogether the building had the bustle and the hum of a great international marketplace.

Very soon Mr. Jones had located the booths which he had marked in his catalogue and was inspecting several plastic injection moulding machines exhibited by British firms. Each machine was in charge of a technician—usually with an unmistakably British accent—ready to talk about and to demonstrate its salient features. One hydraulic plastic moulding press held particular interest for Mr. Jones; a little farther on, he came upon an automatic precision moulding machine exhibited by a Canadian firm.

"I see your machine's made in the United States," he remarked to the booth attendant. "I come from Ohio and I'm in the plastics business, but I've never seen one just like that."

"We get lots of Americans at the Fair, sir, and some of them have made that same comment. They find it convenient to see machinery from so many different countries in one place. One man said to me that the Trade Fair was like a dozen buying trips all rolled into one. Now, we handle this machine in Canada; it moulds all kinds of thermosetting plastics and it's economical for low-production runs. Let me show you how it works . . ."

### Watching the Road Show

That demonstration over, Mr. Jones decided to pursue his researches over in the Automotive Building. He stepped out into the bright sunshine and there, stretching between the Coliseum and the Automotive Building, were the outdoor exhibits. Powerful-looking pile drivers, crawler shovels, snow blowers and other equipment, painted bright red, orange or green, gave colour to the scene. Road rollers shunted back and forth; great cranes swung up and down; fork-lift trucks shifted loads of lumber from place to place.

Watching a German-made power rammer at work tamping down earth, Mr. Jones fell into conversation with his neighbour, a British businessman from Birmingham. "My firm's been showing woodworking machinery at the Fair for the last three years," he said, "and we've been selling through a Canadian agent. Now we're just about ready to set up a branch plant in Canada. By the way, I'm thinking of having a drink out on the Marine Terrace. Won't you join me? Then you can look over the machines in the Automotive Building afterwards."

The Marine Terrace, overlooking the lake and bright with canvas umbrellas, was a welcome sight. Mr. Jones' new acquaintance was hailed, before they sat down, by two men at another table. One was an Italian machine-tool maker, the other a Venezuelan businessman. Soon the four men were discussing the Fair over a whisky and soda.

"Everyone connected with the Fair does his level best to be helpful," said the Englishman. "I've been talking with Department of Trade and Commerce officials over in the reception area about setting-up a Canadian subsidiary, and they've been most co-operative."

"Their tariff experts have been advising me on machine tool imports into Canada," said the Italian, "and it was one of their Foreign Service men stationed in my country who first interested me in coming to the Trade Fair. The Canadian Importers and Traders Association has been helpful too."

For the next twenty minutes the talk turned on general business problems and especially on how to keep down production costs and encourage men to turn out more work. And though the four of them came from widely separated countries it was surprising, Mr. Jones reflected, how many problems they had in common.

Soon they separated and, after a quick lunch in the Cafeteria, the American began a methodical visiting of the displays in the Automotive Building. Because he was still plastics-minded, this time his eye was caught by a line of plastic elevator buckets and, not far away, a plastic pump for handling corrosive chemicals. Just as he had covered nearly all the plastics exhibits, including the display of fabrications from a well-known plastic manufacturer, he ran into an acquaintance from Buffalo.

### An Afternoon Interlude

"If your feet are as tired as mine," said his friend, "perhaps you'd like to come back with me to the lounge. We can have a cup of coffee, read the papers, and compare notes a bit."

"Seen today's copy of the *Trade Fair News?*" the Buffalo man asked as they settled down in a quiet corner.

"No," said Mr. Jones, "didn't know there was such a paper. What's it like?"

"It's published every day and distributed free. I always pick up a copy. It has lists of buyers attending, news about special events, and some human interest stuff about the exhibits, unusual visitors, and so on. Some factual stuff on industrial development going on in Canada, too. Here's a copy."

For the next few minutes all was quiet as the two men made notes on products and equipment they had seen.

"I know it's not your line," said the Buffalo man, "but if you have time, walk through the Household Furnishings and the Ceramics sections. There are some unusual Austrian table decorations and Christmas ornaments, beautiful Belgian crystal, and interesting Italian handicrafts. I'm buying for our Christmas trade. By the way, I noticed some plastic dinnerware in Household Furnishings. You might want to look at it. Tell you what—meet me in the reception area about two-thirty tomorrow and we might go round some of the exhibits together."

On that note the two men parted, and Mr. Jones, feeling that it had been a full day, walked over to the parking lot and soon was on the way to his motel.

### Down to Brass Tacks

Nine-thirty the next morning found him back at the Fair. During the evening he had had time to think carefully about the special features of the machines he had examined and had come close to making a decision. But before he embarked on the serious business of the day, he had an excursion to make. As he was leafing through the catalogue after dinner, he had come upon the Austrian listings in the Sporting Goods sections. So, for a pleasant half-hour he examined fishing gear made in Vienna, cast an appreciative eye on the sporting rifles nearby, and discussed with the Austrian exhibitors hunting and fishing in the Austrian Tyrol.

When he came into the Industry Building business was in full swing, with buyers moving from booth to booth and the machines humming busily. He found the machine which seemed to come closest to meeting his needs and settled down to a long technical conversation with the operator and with the firm's export manager, who was in charge of the stand.

"I'm fairly satisfied that this is the machine I want," said Mr. Jones, "but I would like one of my engineering staff and the plant superintendent to see it. I am going home tonight but I'll send the two of them up to inspect the machine early next week. Probably the purchasing agent will come too; there's some office equipment that I would also like him to look at. If they all agree with my opinion of your machine, I'll give them authority to place the order. Now what about price and delivery date?"

"Why don't we discuss those details during lunch?" said the export manager. "Will you be my guest in the Palm Court about one o'clock? Perhaps you haven't been there yet; it's upstairs in W2 in the Coliseum and I'll be waiting for you at one sharp."

The *Trade Fair News* which Mr. Jones had picked up in the lounge that morning had carried a special story about the Aircraft Section, a new feature. With his immediate business settled, therefore, Mr. Jones returned to the Coliseum to look over these special exhibits. The complexities of aircraft design were slightly beyond his range but he found the model of the great A. V. Roe plant absorbing and some of the equipment for aircraft technically interesting.

He wasn't the only stranger drawn to this section; a reporter from one of the American export magazines was busy getting a story from the various stands.

Over the lunch table the business in hand was soon thrashed out and the conversation became more general.

"This is my first showing at the Fair," said the Englishman, and on the whole, I am well satisfied. My firm is keen to expand its sales in dollar markets and I'm surprised, frankly, at the number of Canadians and Americans who have made serious inquiries about my products. One Canadian wants to handle them in the Hamilton area; says he has already made arrangements to become the exclusive distributor for some of the Swedish woodworking machinery and is negotiating for some of that Dutch fire-fighting equipment. All in all, the Fair has certainly helped me in my approach to North American sales."

Lunch over, the two parted, after an exchange of business cards, and Mr. Jones remembered his appointment with his friend from Buffalo. As he came into the reception area he saw him waiting at the information booth.

### A Final Tour

"Just got a telegram from my firm saying that they want me back to discuss an important deal tomorrow morning, so the transportation people have been fixing me up with a reservation. I've placed orders for those Christmas ornaments, for some of the Italian jewellery, and for several other unusual items that will please our gift shop trade. Now before I go, I want to take a look at some of the exhibits in the Institutional and Prestige section over in W2."

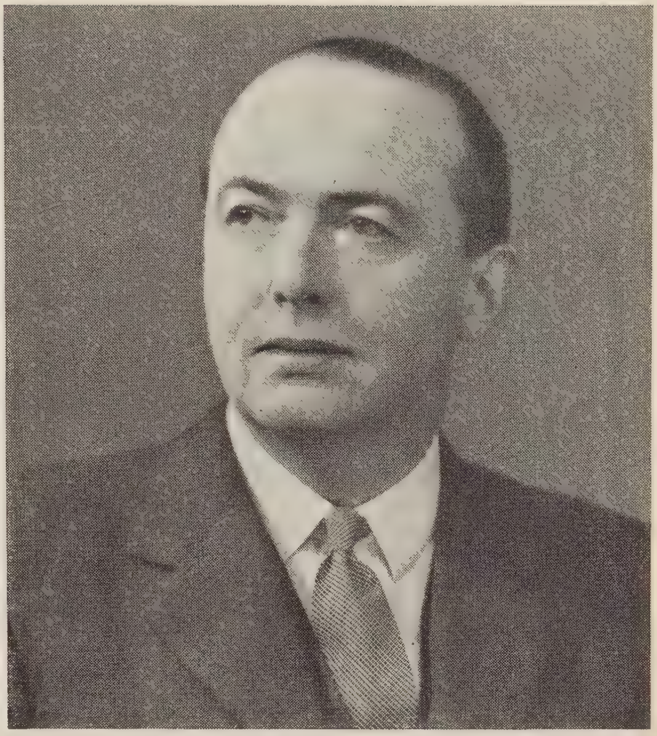
To Mr. Jones, that phrase "Institutional and Prestige" conveyed very little but once they reached W2, it took on colour and meaning. The two Americans spent some time on the displays arranged by some of the Canadian provinces—displays that lent substance to many of the articles they had read about Canada's rapid industrial progress. They stopped too at some of the information booths maintained by several European countries and their conversations with these exhibitors widened their understanding of postwar recovery on the continent.

Time was running short and they moved back to the reception area. "See you at the Fair next year," said his friend as they parted on the Coliseum steps.

Mr. Jones turned in again at the lounge, to pick up his briefcase and the pile of sales literature that he had been accumulating over the two days.

"I hope you've enjoyed your first visit to the Trade Fair, Mr. Jones," said the attendant in the lounge as he stopped to say goodbye.

"It's been a real experience," answered Mr. Jones. "Now I know why your visitor's leaflet called the Fair 'the crossroads of world trade'. And I'll certainly be back in 1955."●



**Rt. Hon. Peter Thorneycroft**

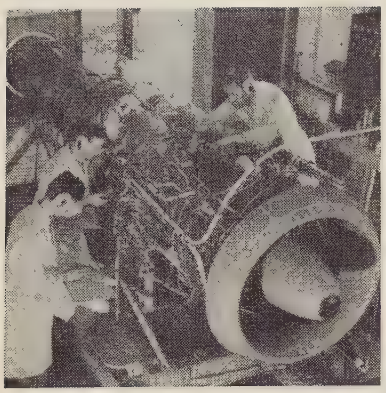
*A CENTRAL FIGURE at the opening ceremonies of the Seventh Canadian International Trade Fair on Monday, May 31st, will be a man convinced of the value and steeped in the problems of expanding world trade. On the invitation of the Canadian Government, the Rt. Hon. Peter Thorneycroft, President of the United Kingdom Board of Trade, will come to Canada expressly to open the Fair.*

*At 45, Mr. Thorneycroft has already had a distinguished career at the Bar, in the Army, and in the House of Commons. During the war he served with the Royal Artillery and later, after graduating with distinction from the Staff College, helped to organize the North African landings.*

*Elected to Parliament in 1938 as member for his native Staffordshire, he now represents the Welsh riding of Monmouth. He early identified himself with the group of young Conservatives who formed the Tory Reform Committee and was also an earnest advocate of the European Movement and of closer collaboration between the United Kingdom and the United States.*

*His first political preferment came towards the end of the war with his appointment as Parliamentary Secretary to the Ministry of War Transport in Mr. Churchill's "caretaker government". With the return of the Conservatives to power in 1951, he was made President of the Board of Trade in the new Cabinet. Since then, he has been an untiring but realistic exponent of Britain's export drive.*

# Aircraft Machinery and Parts



EVERY FAIR has its innovations. This year sees the introduction of a special section displaying aircraft production machinery, aircraft parts and instruments and, in the outside area, complete aircraft. On Saturday, June 12, the day after the CITF officially closes, the fourth National Air Show will take place on the Exhibition Grounds and the aircraft section *only* will remain open to visitors. The National Air Show Committee is organizing this aerial display and the Trade Fair is developing the exhibits.

Aircraft manufacturers, airline operators, and key men in this field will find in this section new developments in fuel hose and accessories, in jet engine components, in undercarriage and brake gear. Canadian Pratt and Whitney will exhibit the world's most powerful jet engine; A. V. Roe Limited will set up a model of its plant, showing the various stages in plane production. A Canadian firm will demonstrate modern trends in undercarriage and electro-hydraulic equipment used on fighter, bomber and civil aircraft. An American company plans to bring to the Fair a very small permanent magnet D.C. motor, designed for precision airborne accessory equipment, with size and weight kept to a minimum. A number of companies not strictly in the aircraft field will be included in this section, exhibiting products used in the aircraft industry, such as petroleum in various forms, rubber goods, alloys and extrusions. Three Canadian airlines will be also advertising their services.

*Countries Exhibiting:* Canada, United States, United Kingdom, France, Germany.

*Leading Exhibitor:* Canada.

## Canada

| | |
|---|---|
| Bata Engineering<br>Batawa, Ontario. | Aircraft component parts and special equipment. |
| British General Electric Co. (Canadian) Limited, The<br>Montreal, Quebec. | Everything electrical for industry and home; aircraft equipment. |
| Canadian Pacific Airlines, Limited<br>Vancouver, B.C. | Airline services to four continents and 62 points in Canada. |
| Canadian Pratt & Whitney Co. Limited<br>Ville Jacques Cartier, Quebec. | Aircraft engines, propellers. |
| Canadian S K F Co. Limited<br>Scarboro, Ontario. | Precision and standard ball and roller bearings; railway journal boxes; pillow blocks. |
| Canadian Steel Improvement Limited<br>Toronto, Ontario. | Forgings in stainless steel, high temperature alloys, aluminum, and other non-ferrous alloys. |
| Cannon Electric Canada Limited<br>Toronto, Ontario. | Electrical connectors for aircraft, radio, television and other electronic equipment. |
| Deloro Smelting & Refining Co. Limited<br>Deloro, Ontario. | Aircraft and industrial investment castings; Stellite tools and machine components. |
| Dominion Magnesium Limited<br>Toronto, Ontario. | Magnesium alloy extrusions, castings, fabrications; magnesium, calcium, titanium, zirconium, thorium. |
| Dowty Equipment of Canada Limited<br>Ajax, Ontario. | Under-carriage and brake gear, electro-hydraulic actuating equipment and jet engine fuel system components. |
| Fairey Aviation Co. of Canada Limited, The<br>Eastern Passage, N.S. | Aircraft hydraulic power control units; general aircraft parts and accessories. |
| Ferro Technique Products of Canada Limited<br>Lachine, Quebec. | Precision gauges: Vernier calipers, micrometers, thread gauges; pliers and chucks. |
| Fleet Manufacturing Limited<br>Fort Erie, Ontario. | Aircraft parts and components; aircraft tooling; helio "Courier" sales, service and manufacture; Doman model LZ5 helicopter sales, service and manufacture. |
| Found Bros. Aviation Co. Limited<br>Malton, Ontario. | Static balancing machines for aircraft and automobile industries; toy helicopter; temperature bulbs. |
| High Duty Alloys (Canada) Limited<br>Toronto, Ontario. | Semi-manufactured aluminum and magnesium castings, forgings, extrusions and sheets. |
| Industrial Electronics of Canada Limited<br>Toronto, Ontario. | Electronic and electro-mechanical controls, service systems, power supplies, analogue computers, pressure transducers, test equipment, control motors. |
| Leonard Electric Limited<br>Toronto, Ontario. | Switches, relays, rectifiers, lighting equipment, miniature motors, indicator lights. |
| Light Alloys Limited<br>Toronto, Ontario. | Magnesium alloy extrusions, castings, fabrications; magnesium, calcium, titanium, zirconium, thorium. |
| Lucas-Rotax Limited<br>Toronto, Ontario. | Aircraft electrical and fuel system equipment. |
| Maritime Central Airways<br>Charlottetown, P.E.I. | Scheduled, charter and contract flying; maintenance and overhaul of heavy aircraft. |
| Mystik Tape Sales (Canada) Limited<br>Toronto, Ontario. | "Mystik" pressure sensitive cloth and paper tapes; "Mystik" print for industrial and advertising purposes. |

---

Please note: The listings of exhibitors are complete up to March 15th; space reserved after that date is not included. The pictures at the beginning of each category were taken at previous Fairs and do not necessarily represent products to be shown this year.

| | |
|---|---|
| Parker Imports Reg'd.<br>Montreal, Quebec. | Precision measuring instruments, tools and gauges for the engineering and allied industries. |
| A. V. Roe Canada Limited<br>Malton, Ontario. | CF-100 all-weather fighter and components; Orenda turbo-jet engines. |
| Shell Oil Co. of Canada Limited<br>Toronto, Ontario. | Petroleum products—hydraulic oils, cutting oils, turbine oils, aircraft oils, lubricants, chemicals. |
| Trans-Canada Air Lines<br>Toronto, Ontario. | Airline industry. |

### France

| | |
|---|---|
| Office General de l'Air<br>Paris. | Photographs and prototypes of aircraft. |

### Germany

| | |
|---|---|
| Albrecht, J.<br>Esslingen/Neckar. | Precision gauges, Vernier calipers, micrometers, thread gauges, pliers and chucks. |
| Putsch, C. Gust.<br>Wuppertal-Cronenberg. | Precision gauges, Vernier calipers, micrometers, thread gauges, pliers and chucks. |
| Stiefelmayer, C.<br>Esslingen/Neckar. | Precision gauges, Vernier calipers, micrometers, thread gauges, pliers and chucks. |
| Wille, Eduard<br>Wuppertal-Cronenberg. | Precision gauges, Vernier calipers, micrometers, thread gauges, pliers and chucks. |

### United Kingdom

| | |
|---|---|
| Birmingham Asbestos Limited<br>Halesowan. | Aircraft fuel hose, accessories; oilfield rubbers; industrial rubbers; packings; mouldings. |
| Deloro Stellite Limited<br>Birmingham. | Stellite tools and machine components. |
| General Electric Co. Limited, The<br>London. | Everything electrical for industry and home; aircraft equipment. |

### United States

| | |
|---|---|
| Lear Incorporated<br>Grand Rapids, Michigan. | Aeronautical accessories, electromagnetic systems, automatic flight stabilizers, rapid communications equipment. |

## Building Supplies and Materials, Heating and Plumbing Equipment

LAST YEAR many visitors to this section of the Fair showed particular interest in a newcomer from the United Kingdom—Dexion slotted angle. Put on the market about five years ago, this slotted steel or aluminum strip, bent to form a right angle, can be bolted on to other strips and used as a framework for houses or filing cabinets, storage racks or construction platforms. This year two Canadian companies will be demonstrating the versatility of this material.

A Manchester firm plans to exhibit a new type of steel rolling door, designed to fit in with modern architectural trends which favour plane surfaces. The steel laths of which the door is made interlock throughout their length and automatically fit closely against the guide channel, keeping out wind and weather. Nearby, a Canadian company will display soundproof barriers, soundproof doors, and sound traps. Incidentally, this company knows something about dealing with noise because it also builds mufflers for jet-engine planes.

In this category, fair-goers will find materials for domestic and industrial building—fancy wood panels, for instance, and chipboard; fire doors; wooden and steel shutters—plus plumbing, heating, air-conditioning and lighting equipment.

*Countries Exhibiting:* Canada, United Kingdom.

*Leading Exhibitor:* Canada.

### Canada

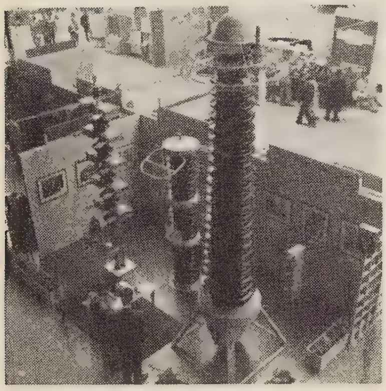
| | |
|---|---|
| Boileau-Fergusson Limited<br>Toronto, Ontario. | Haskins Rolador rolling steel shutters, rolling portcullis grilles, rolling wood shutters. |
| Cameron Associates Limited, Dugald<br>Malton, Ontario. | "Dexion" slotted steel or aluminum angle. |
| Canadian Plywoods Limited<br>Montreal, Quebec. | Imported fancy wood panels and Plaswood—a hard, high-density, general utility chipboard. |
| Coleman Lamp and Stove Co. Limited<br>Toronto, Ontario. | Kerosene and gasoline burning pressure and non-pressure appliances for lighting, heating, cooking and ironing. |
| Day Sign Co. Limited<br>Toronto, Ontario. | Metal, plastic and wood signs, letters, building directories, neon illumination. |
| Fennia Limited<br>Montreal, Quebec. | Plywood, hardwood, paper, sanitary china. |
| Gas Equipment Distributors of Canada<br>Toronto, Ontario. | Gas meters, infra-red heating, regulators, insulating unions, odorizers, diaphragms. |
| Hughes & Associates Inc., Francis<br>Montreal, Quebec. | "Dexion" slotted steel or aluminum angle. |
| Industrial Sound Control, Canada Limited<br>Toronto, Ontario. | Jet engine mufflers; soundproof barriers, doors, room; air conditioning; sound traps. |

| | |
|---|---|
| Interlocking Block & Brick Patents, Limited<br>Vancouver, British Columbia. | Interlocking cement blocks and bricks. |
| Trafalgar Mills Limited<br>South Nelson, New Brunswick | Plaswood, a hard, high-density general utility panel, and Compoboard, a Plaswood core with hardboard surfaces. |
| Wilson Lighting and Display Limited, J.A.<br>Toronto, Ontario. | Commercial and industrial fluorescent and incandescent lighting equipment; louvred and luminous lighted ceilings. |
| Winnett Boyd Limited<br>Toronto, Ontario. | Jet engine mufflers; soundproof barriers, doors, rooms; air conditioning; sound traps. |

### United Kingdom

| | |
|---|---|
| Braby & Co. Limited, Frederick<br>Glasgow. | Partitions, windows, shelving, barrows, and other products, mainly for the building industry. |
| Brady & Co. Limited, G.<br>Manchester. | Brady wood and steel rolling doors, firedoors, dumb waiters. |
| Coleman Quick Lite Co. Limited<br>London. | Kerosene and gasoline burning appliances for lighting, cooking and heating. |
| Haskins, (E. Pollard & Co. Limited)<br>London. | Haskins Rolador rolling steel shutters, rolling portcullis grilles, rolling wood shutters. |

## Electrical Equipment (Industrial), Electrical Tools, Motors and Supplies



BUYERS WITH A PARTICULAR INTEREST in new developments in electronics, electrical equipment and electrical appliances for industry will be spending much of their time examining the displays in this section. Among the products certain to draw attention is a "progressing cavity" pump to be shown by a Canadian company, which will pump anything that will flow through a pipe—resins, asphalt, mud, rubber cement, and other abrasive or viscous fluids. Nearby will be fans designed for use under acid or alkali conditions or where excessive temperatures make it necessary to mount the motor outside the air stream.

One outstanding piece of equipment in this field to be introduced to Canada at the Trade Fair is a standby power unit for the simultaneous operation of several circuit breakers. Developed in France and exhibited by a Canadian representative of the French company, this unit is said to use only 10 per cent of the space normally provided for batteries in similar service. It will give power for supervisory controls, telemetering, and emergency lighting, or can be used to start diesel engines. Major component is the "Voltabloc", a sintered-plate, hermetically sealed wet cell which requires no maintenance and can be used in unattended sub-stations.

Practically all the large electrical companies in Canada have reserved space in this area, in addition to many well-known foreign firms.

*Countries Exhibiting:* Canada, the United Kingdom, United States, Austria, Belgium, France.

*Leading Exhibitor:* Canada.

### Canada

| | |
|---|---|
| Adams Engineering Limited<br>Montreal, Quebec. | Electrical, aircraft, electronic components. |
| Ainsworth Electric Co. Limited<br>Toronto, Ontario. | Electrical apparatus and equipment; electric motors and controls. |
| Bach-Simpson Limited<br>London, Ontario. | Panel and switchboard meters; electronic instruments; high stability resistor and components. |
| Benco Television Associates Limited<br>Toronto, Ontario. | Television antennae; amplifiers and distribution systems; field strengthmeters and allied equipment. |
| British General Electric Company (Canadian) Limited, The<br>Montreal, Quebec. | All types of electrical equipment. |
| Brush Aboe (Canada) Limited<br>Toronto, Ontario. | Diesel engines; diesel generating sets; electric motors. |

| | |
|---|---|
| Bulldog Electric Products Company Canada Limited<br>Toronto, Ontario. | Electric distribution equipment for industry, commerce and the home. |
| Canada Wire & Cable Co. Limited<br>Toronto, Ontario. | Every type of electrical conductor; steel wire rope for every purpose. |
| Canadian General Electric Co.<br>Toronto, Ontario. | Motors, control devices, motor control centre, capacitors and testing instruments. |
| Canadian Westinghouse Co. Limited<br>Hamilton, Ontario. | Electrical equipment for industry. |
| Gas Accumulator Co. (Canada) Limited<br>Toronto, Ontario. | Agastat electro-pneumatic time delay relays; Buchanan wire connectors, terminal lugs; insulated bushings, knockout plugs, terminal blocks. |
| International Resistance Co. Limited<br>Toronto, Ontario. | Resistors of all types, controls, rheostats, attenuators, chokes. |
| Longstaffe Co. Limited, J. R.<br>Toronto, Ontario. | Electronic components and test equipment; timing devices; relays; "Amphenol". |
| Renfrew Electric & Refrigerator Co. Limited<br>Renfrew, Ontario. | Electrical appliances; wiring devices; soldering irons; heater elements. |
| Robbins & Myers Co. of Canada Limited, The<br>Brantford, Ontario. | Industrial fans; industrial and domestic pumps; electric hoists and cranes; electric motors from 1/200 h.p. to 75 h.p.; commercial and domestic fans. |
| Square D Co. Canada Limited<br>Toronto, Ontario. | Low voltage distribution equipment and control equipment. |
| TMC (Canada) Limited<br>Ottawa, Ontario. | Radio communication equipment. |
| Volta Manufacturing Co. Limited, The<br>Welland, Ontario. | Arc melting electric smelters, heat-treating furnaces, winches, magnetic brakes. |

### Austria

| | |
|---|---|
| Kraus & Naimer<br>Vienna. | Electric switchgear. |
| Maier, Dipl. Ing. Ernst<br>Linz-Donau. | Hydraulic turbines, turbine regulators, carbon brushes for motors and dynamos. |

### Belgium

| | |
|---|---|
| E. S. Ateliers de Constructions Electriques<br>Eupen. | Contactors, relays and connectors. |

### France

| | |
|---|---|
| Société des Accumulateurs Fixes et de Traction<br>Romainville. | "Voltabloc" alkaline storage battery, hermetically sealed; DC power units (switchgear control). |

### United Kingdom

| | |
|---|---|
| General Electric Co. Limited, The<br>London. | Everything electrical for industry and the home. |
| Standard Telephones and Cables Limited<br>London. | S.H.F., V.H.F., H.F. telecommunication equipment; cables, capacitors; rectifiers; germanium devices. |

### United States

| | |
|---|---|
| Servomechanisms, Inc.<br>Garden City, New York. | Electronic and electro-mechanical controls, servo systems, power supplies, analogue computers, pressure transducers, test equipment, control motors. |
| Taylor Fibre Co.<br>Norristown, Pennsylvania. | Laminated plastics; vulcanized fibre; polyester glass rod; fabricated parts. |

## Farm Implements and Equipment

TWO PIECES OF EQUIPMENT to be shown by a Canadian and a United States firm seem to have been designed with the leisure-time farmer, the smallholder, and the home gardener in mind. The first is a garden tractor of 2-3½ horsepower, one and two-wheel type, with various implements ready to be attached; the second is a digger-type tiller to take the drudgery out of cultivating. The only other company which has reserved space in this section will show poultry-processing machinery.

Electric pumps and barn equipment will also be on display but are listed under the category into which fall the major items to be shown by that manufacturer.

*Countries Exhibiting:* Canada, United States.

*Leading Exhibitor:* Canada.

### Canada

| | |
|---|---|
| Callwood Can Co. Limited<br>St. Boniface, Manitoba. | Poultry processing machinery. |
| The Chief Tractor Limited<br>Grimsby, Ontario. | One and two-wheel garden tractors and implements, 2-3½ h.p.; new digger-type tillers. |

### United States

| | |
|---|---|
| The Great Lakes Tractor Co.<br>Rock Creek, Ohio. | One and two-wheel garden tractors and implements, 2-3½ h.p.; new digger-type tillers. |

# Food Products, Beverages

TWO OF CANADA'S MOST IMPORTANT EXPORTS—wheat flour and fish—will be spotlighted in this section. The Canadian Flour Export Committee will return with a pictorial display and the Fisheries Council of Canada will again present a composite exhibit of fish and shellfish in various forms. Speaking of fish, visitors to the first Fair in 1948 may remember an exhibitor from North Bay who showed black sturgeon caviar—and secured so many orders that he felt no need to exhibit again! But he'll be back this year, seeking new customers.

Side by side with domestic foodstuffs, buyers will see products of Asian and European countries which find a place on most Canadian pantry shelves. India will be showing spices, pickles, curries, canned fruits and vegetables, and cashew nuts; a Netherlands firm, a famous variety of Dutch chocolate; Belgian and Austrian exhibitors, biscuits and confectionery; Italy, candied fruit. Spain will be a newcomer to this section, displaying the well-known Seville bitter oranges, lemons, olive oil, olives, nuts, etc.

The beverage exhibits take up a large proportion of the space in this category, and run the gamut from German beer to Cuba's Bacardi rum and from Scotch whisky to Canadian rye and American liqueurs.

*Countries Exhibiting:* Canada, India, Belgium, the United Kingdom, Cuba, Austria, Germany, Italy, the Netherlands, Spain.

*Leading Exhibitor:* Canada.

## Canada

| | |
|---|---|
| Adams Distillers Limited, Thomas<br>New Westminster, British Columbia. | Adams antique Canadian whisky, Adams old rye Canadian whisky, Adams export Canadian whisky, Adams private stock Canadian whisky, Adams A-1 Canadian whisky, Adams silver fizz London dry gin. |
| Brading Breweries Limited<br>Ottawa, Ontario. | Brading's old stock ale, Brading's brown stout. |
| Brading's Cincinnati Cream Brewery Limited<br>Windsor, Ontario. | Brading's Cincinnati cream lager. |
| Calvert Distillers Limited<br>Montreal, Quebec. | Lord Calvert Canadian whisky, Calvert House Canadian whisky, Calvert London dry gin, Calvert Grand Reserve Canadian whisky, Calvert Old Rye Canadian whisky, Vickers London dry gin, Paul Masson liqueurs. |
| Canadian Canners Limited<br>Hamilton, Ontario. | Canned fruits, vegetables, soups, baby foods, frozen foods, jams, pickles, olives and specialties. |
| Canadian Flour Export Committee<br>Toronto, Ontario. | Wheat flour. |
| Captain Morgan Rum Distillers Limited<br>Montreal, Quebec. | Captain Morgan Gold Label rum, Captain Morgan Black Label rum. |
| Christopher Columbus Rum Limited<br>Montreal, Quebec. | Christopher Columbus White Label rum. |
| Fisheries Council of Canada<br>Ottawa, Ontario. | Fish and shellfish, fresh, frozen, canned, smoked, dried, salted, pickled; by-products. |
| Gilbey, Limited, W. & A.<br>New Toronto, Ontario. | Canadian rye whiskies, London Dry and other fine gins, imported Scotch whiskies, rums, wines and liqueurs. |
| Johnson & Sons Limited, Arthur<br>Toronto, Ontario. | "Belmar" brand packaged soup powder. |
| Jubilee Brewery Limited<br>Ottawa, Ontario. | Stout and ale. |
| Labatt Limited, John<br>London, Ontario. | Ales, beer and pilsener. |
| McLarens' Limited<br>Hamilton, Ontario. | "Invincible" brand plain and stuffed olives, sweet pickles, pudding powders, ice cream powder, peanut butter. |
| Melchers Distilleries, Limited<br>Montreal, Quebec. | Geneva gins, dry gins, Highland whiskies, rye whiskies, imported Scotch whisky. |
| Northern Caviar Co. Limited<br>North Bay, Ontario. | Black sturgeon caviar. |
| Parkdale Wines Limited<br>Etobicoke, Ontario. | Fine wines. |
| Seagram & Sons Limited, Joseph E.<br>Montreal, Quebec. | Seagram's V.O. Canadian whisky, Seagram's "83" Canadian whisky, Seagram's King's Plate Canadian whisky, Burnett's London dry gin, Sandy MacDonald special, Paul Masson liqueurs. |
| Southern Comfort<br>Montreal, Quebec. | Liqueur. |
| Walker & Sons Limited, Hiram<br>Walkerville, Ontario. | Alcoholic beverages. |

## Austria

| | |
|---|---|
| Schmidt & Soehne NE, Victor<br>Vienna. | Confectionery, candies, chocolates, biscuits. |

### Belgium

| | |
|---|---|
| De Beukelaer Biscuits & Chocolates S.A.<br>Antwerp. | Biscuits, chocolates, confectionery, wafers. |
| Delacre, Biscuits (Les Industries Alimentaires S.A.)<br>Vilvorde. | Biscuits. |

### Cuba

| | |
|---|---|
| Cia "Ron Bacardi", S.A.<br>Santiago de Cuba. | Bacardi rum; Hatuey's Cuban beer from Canadian malt. |

### Germany

| | |
|---|---|
| Cana-Handel, W. R. von Schenk K.G.<br>Schweinsberg. | Beer and selected wines, alcoholic beverages. |

### India

| | |
|---|---|
| India, Government of High Commissioner for India,<br>Ottawa, Ontario. | Spices, cashew nuts, flavoured condiments, tea, canned fruits, canned vegetables, pickles, curries. |

### Italy

| | |
|---|---|
| Motta S.p.A.<br>Milan. | Cakes, chocolate, candies, torrone, candied fruit, dragees, fruit in liquor. |

### Netherlands

| | |
|---|---|
| Droste's Cocoa & Chocolate Works Limited<br>Haarlem. | Cocoa and chocolate products. |
| Tonnema en Cie M.V.<br>Sneek. | King peppermint. |

### Spain

| | |
|---|---|
| Spanish-Canadian Trading Limited<br>Toronto, Ontario. | Dried fruit, nuts, Seville bitter oranges, lemons, olive oil, olives, corkboard, cork floats. |

### United Kingdom

| | |
|---|---|
| Buchanan & Co. Limited, James<br>Glasgow. | Black and White Scotch whisky, Buchanan's Deluxe Scotch whisky. |
| Dewar & Sons Limited, John<br>Perth. | Dewar's Special Scotch whisky, Dewar's Ne Plus Ultra Scotch whisky. |
| Gordon, Tanqueray & Co. Limited<br>London. | Gordon's dry gin. |
| Haig & Haig Limited<br>Markinch. | Haig & Haig Five Star Scotch whisky, Haig and Haig Pinch Scotch whisky. |
| Hope and Anchor Breweries Limited<br>Sheffield. | Special old English beer, Golden Mead ale, Royal Jubilee stout. |
| McCallum Limited, D. & J.<br>Edinburgh. | McCallum's Perfection Scotch whisky. |
| Walker & Sons Limited, John<br>Kilmarnock. | Johnnie Walker Red Label Scotch whisky, Johnnie Walker Black Label Scotch whisky. |
| White Horse Distillers Limited<br>Glasgow. | White Horse Scotch whisky. |

## Footwear, Leather and Leather Products

THE APPEAL OF FINE LEATHER, worked by skilled craftsmen into products that combine beauty with durability, draws visitors to this rather small section of the Fair. A Vienna firm is bringing hand-made shoes for men and women; fellow Austrians will be showing handbags and travelling bags. Belgian firms are exhibiting luggage, handbags, and smaller leather articles. A Newfoundland company which exhibited last year is returning to show its line of rubber footwear and foam rubber products; other Canadian manufacturers will tempt buyers with photo albums and lighters, as well as the more usual leather products.

*Countries Exhibiting:* Canada, Austria, Belgium, Germany.

*Leading Exhibitor:* Austria.

### Canada

| | |
|---|---|
| Janzen's Photo Company<br>Winnipeg, Manitoba. | Photo albums, photo corners, book albums; portfolio books, leather novelties. |
| Superior Rubber Co. Limited<br>Holyrood, Newfoundland. | Foam rubber products; rubber footwear; mechanical rubber goods; druggist and stationery sundries. |
| Tiberghien, Charles<br>Montreal, Quebec. | European and Moroccan novelties, rugs and bags; blown glass; handicrafts, religious articles; textile raw products. |

### Austria

| | |
|---|---|
| Froehlich, Johann<br>Vienna. | Leather goods; travelling articles; air luggage; suitcases of fibre and vulcanized fibre. |
| Gross<br>Vienna. | Hand-made shoes for men and women. |
| Huszarek oHG., O.P.<br>Vienna. | Women's handbags. |
| Schulz, Franz<br>Vienna. | Women's handbags; briefcases, suitcases, travelling bags; small leather goods and luxury articles. |

### Belgium

| | |
|---|---|
| De Potter<br>Brussels. | Luggage, travelling bags. |
| Jauniaux, Emile<br>Brussels. | Leather bags, cases, trunks and straps. |
| Rama<br>Brussels. | Handbags, belts, novelties. |
| Schevenhals, S.A., Etablissements Antoine<br>Anderlecht, Brussels. | Billfolds, cigarette cases, leather, leather travelling requisites, loose leaf binders, paper containers, portfolios, religious articles, school supplies, smokers' accessories, remembrance articles. |

### Germany

| | |
|---|---|
| Werner, Herbert A.<br>Frankfurt-Main. | Leather bags, suitcases, etc.; modern and antique china (Dresden); gifts; toys. |

## Household Furnishings and Appliances Musical Instruments, Sporting Goods and Toys

FROM THE MUNDANE TO THE AESTHETIC, from vacuum cleaners to oil paintings, this section contains perhaps the widest variety of any in the Fair. There are ceramics, wrought iron ornaments, paintings and furniture to make a home beautiful—and floor polishers, vacuum cleaners, washing machines, soaps and waxes to keep it shining. Among the more unusual products is a "door viewer" through which the householder can see out but the caller cannot see in; from the outside it appears to be a mirror. One of the aisles might be called "sewing machine lane", because it displays the latest models from Canada, Italy, Japan and the Netherlands. A Canadian exhibitor is showing a newly designed sewing machine that sews, embroiders, darns, fancy-stitches, sews on buttons and makes buttonholes, but requires no attachments.

The young and the older, the sportsman and the stay-at-home, are catered to by exhibitors in this category who are showing toys made of wood, of plastic and of willow-cane; some mechanical, some electrical and some stuffed; dolls in national costume and dolls that walk, and Christmas tree ornaments. Among the sporting equipment are shotguns, rifles, fishing tackle, skiing equipment, hunting knives and a sail-equipped sports dinghy. Portable record players and high fidelity units built into furniture of original design have appeal for the music lover, and for the amateur photographer there are home-ciné cameras and projectors. One Canadian manufacturer is showing TV masks, a stripping to bind the screen to the cabinet.

*Countries Exhibiting:* Canada, Austria, Belgium, Germany, India, Indonesia, Ireland, Italy, Japan, Korea Netherlands, Norway, Sweden, United Kingdom.

*Leading Exhibitor:* Canada.

### Canada

| | |
|---|---|
| Abbott of England<br>Toronto, Ontario. | Kitchenware; cutlery; silverware; toys. |
| A la Vieille Forge Enrg.<br>St. Cesaire, Quebec. | Art metalwork, furniture, mirrors, lamps, ashtrays, candlesticks, giftware. |
| Alfa Sewing Machines<br>Montreal, Quebec. | Sewing machines and accessories. |
| Beatty Bros. Limited<br>Fergus, Ontario. | Electric pumps; barn equipment; electric home appliances. |
| Canadian Toy Trading Co.<br>Toronto, Ontario. | Dolls in national costumes; walking dolls; educational toys in wood and plastic; novelties; souvenirs. |
| Copper Wire Products Limited<br>Toronto, Ontario. | Speakers of all sizes, hi-fi equipment; transformers, radio cabinets. |
| Dominion Laminations Limited<br>Kitchener, Ontario. | Plastic refrigerator parts, dishes, trays, T. V. masks. |
| Estrex (Canada) Limited<br>Montreal, Quebec. | Chandeliers, lamps, electric fixtures. |
| General Steel Wares, Limited<br>Toronto, Ontario. | Aluminum, enamelled and galvanized kitchenware; housewares; "McClary" electric ranges, coal and wood stoves refrigerators, washing machines driers. |
| Gilchrist Limited, R. C.<br>Toronto, Ontario. | Coin and non-coin operated music systems for homes offices, factories, hotels and restaurants. |
| Hopf & Hopf<br>Montreal, Quebec. | German toys, novelties and gifts |
| MacEachern, Gordon A.<br>Toronto, Ontario. | Soaps, waxes, floor finishes; rubber tile cleaner; scrubbing and polishing machines; industria vacuums. |

| | |
|---|---|
| Magic Mirror Associates, Canada, Limited<br>Toronto, Ontario. | Patent door viewer: "you can see out without being seen". |
| Maple Leaf Plastics Limited<br>Toronto, Ontario. | Melamine break-resistant dinnerware and other molded plastic products. |
| Necchi Sewing Machines (Canada) Limited<br>Montreal, Quebec. | Necchi sewing machines and accessories. |
| The New Williams Mfg. Co. Limited<br>Montreal, Quebec. | Sewing machines (domestic and industrial); sewing machine parts. |
| Pfaff Sewing Machine Co. of Canada Limited<br>Montreal, Quebec. | Home and industrial sewing machines with exclusive Dial-a-Stitch feature. |
| Rhine Hansa Limited<br>Toronto, Ontario. | Plastics; household and industrial brushes; vacuum bottles. |
| Sigmar Manufacturing Co.<br>North Park, Ontario. | Portable record players and high fidelity units built into furniture of original design. |
| Stoermer Bell & Brass Foundry<br>Kitchener, Ontario. | Church and ship bells; fire gongs. |
| Supreme Aluminum Industries Limited<br>Toronto, Ontario. | Complete assortment of nationally advertised, modernly designed aluminum cooking utensils. |
| Swedish Products Co.<br>Toronto, Ontario. | Swedish furniture; gifts; glass, copper and brassware. |
| Vigorelli of Canada Limited<br>Montreal, Quebec. | "Vigorelli" domestic sewing machines and accessories. |
| White Sewing Machine Products Limited<br>Toronto, Ontario. | Domestic sewing machines for all kinds of household sewing. |

## Austria

| | |
|---|---|
| Eggeling & Co., J.<br>Vienna. | Christmas tree ornaments (glass); table decorations; tinsel articles such as stars, metal ribbons. |
| Eumig<br>Vienna. | Home-cine cameras; home cine-projectors; photocameras. |
| Janke Gerhard<br>Vienna. | Skiing equipment; skis; ski-bindings; ski accessories (edges and sticks); skiing blouses. |
| Liszka, R. and B.<br>Vienna. | Modern household articles; novelties. |
| Neuzeughammer<br>Neuzeug b. Steyr. | Silver-plated cutlery, spoons, forks and knives; kitchen knives, butchers' knives, pocket knives, hunting knives and forks; pruning shears for vines and blades; knife blades, all made of stainless steel. |
| Otto, Rudolf<br>Vienna. | Original oil paintings. |
| Piegel, Karl<br>Vienna. | Material for window decoration, stands, labels; material for propaganda. |
| Sarnitz, Franz<br>Vienna. | Shotguns, rifles; hunting equipment. |
| Semperit Gummiwerke AG<br>Vienna. | Semperit sport dinghy with sailing equipment and accessories for outboard motor type 54. |
| Steurer, Fritz<br>Vienna. | Fishing gear: reels, gaffs, landing nets, spinners, flies, lines, peryl, monofilament. |
| Tiroler Maschinenbau und Holz-Industrie GesmbH<br>Kufstein. | Sporting rifles for hunting and target shooting. |

## Belgium

| | |
|---|---|
| Anciens Etablissements U. Cordiez S.A.<br>Roisin-Autreppe. | Novelties of marble; clocks, desk sets, table tops, lamps, ashtrays. |
| F. Hallez-Ceurvelt, S.A.<br>Antwerp. | Basketware; willow-cane furniture; children's willow-cane toys. |
| van den Bogaerde Limited, G. and A.<br>Ghent. | Wooden picture frames and ovals; picture mouldings; wooden furniture ornaments. |
| Le Super S.A.<br>Brussels. | Balex electrical household appliances; Titan combined vacuum cleaner-polisher. |

## Germany

| | |
|---|---|
| Basti-Puppen, Sophie Lehmann<br>Diessen/Ammersee. | Raffia figures. |
| Berchtesgadener Handwerkskunst<br>Berchtesgaden. | Wood carvings. |
| Bergann, G. & P.<br>Munich. | Wood carvings. |
| Heuschneider, F.<br>Aidenbach. | Wood carvings. |
| Hopf & Hopf<br>Coburg-Esbach, Bayern. | Toys; novelties; porcelain; gifts; Christmas ornaments; figurines; beer steins; dolls. |
| Janacek, Rudolf<br>Berlin. | Art metal work. |
| Kluckner, Hans<br>Oberammergau. | Wood carvings. |
| Kragler, F. & N.<br>Munich. | Wood carvings; hand painted match-wood boxes. |
| Kraus Jun., Ludwig<br>Oberammergau. | Wood carvings. |
| Mueller, Berthold<br>Kressbronn/Bodensee. | Mosaic tables. |
| Nagel, Paul<br>Wesseling. | Art metal work. |
| Scharfen, Maschinenfabrik, Hermann<br>Witten. | Slicers; chopper. |
| Schreiber, Alwin<br>Unterhaching. | Ivory carvings. |
| Sonnenhof-Werkstaette<br>Bad Harzburg. | Straw and raffia figures. |
| Ulbricht, Otto<br>Lauingen/Donau. | Wooden decorated articles, hand-turned and painted. |
| Wyland, Carl<br>Cologne. | Wrought iron work. |
| Zwick, Alfred Oskar<br>Oberammergau. | Wood carvings. |

## India

| | |
|---|---|
| India, Government of High Commissioner for India,<br>Ottawa, Ontario. | Handmade in India novelties; brassware; ivory figures; woodenware; ladies' handbags; jewellery. |

## Indonesia

| | |
|---|---|
| Indonesia, Government of<br>Djakarta. | Arts and handicrafts, batiks (hand painted and printed), coconut products, coffee, fibres, kapok, palm oil, pepper, quinine, rubber, spices, sugar, tapioca, tea, tin, tobacco, wood products. |

## Ireland

| | |
|---|---|
| Irish Ropes Limited<br>Droichead. | Sisal woven carpets. |

## Italy

| | |
|---|---|
| Necchi S.p.A., Vittorio<br>Pavia. | Sewing machines and accessories. |

### Japan

| | |
|---|---|
| Japanese Committee for International Trade Fairs<br>Tokyo. | Porcelain wares; bamboo products; foods; toys; sewing machines; sporting goods; metal wares; wooden products. |

### Korea

| | |
|---|---|
| Korea, Republic of<br>Economic Bureau<br>Ministry of Foreign Affairs,<br>Seoul. | Korean art goods, lacquerwares, potteries, brass utensils, bamboo products. |

### Netherlands

| | |
|---|---|
| Avros<br>Amsterdam. | Full colour reproductions of old and modern masters. |
| Fridor Factories Limited<br>The Hague. | Electrical household sewing machines and vacuum cleaners. |
| Ponsen's Trading Co.<br>Amsterdam. | Vacuum cleaners; furniture; cocos carpets, rugs; kitchenware; cattle cleaners; lamps; dinnerware; earthenware. |

### Norway

| | |
|---|---|
| Elteeco<br>Oslo. | Furniture, ceramics, silverware, wrought iron, gift items, sporting ware and goods. |

### Sweden

| | |
|---|---|
| Mjolby Intarsia<br>Mjolby. | Inlaid door skins, decorative screens, inlays for fine furnishings, hollywood. |

### United Kingdom

| | |
|---|---|
| Easiclene Porcelain Enamel (1938) Limited<br>Darlaston. | Kitchen equipment and domestic appliances, absorption refrigerators, electric washing machines. |
| Joseph Limited, N. C.<br>Stratford-on-Avon. | Domestic aluminum holloware; aluminum and light alloy industrial equipment; aluminum barrels and drums; pressings in aluminum and stainless steel; stainless steel domestic holloware. |
| Mansell Hunt Catty & Co. Limited<br>London. | Christmas crackers, table decorations, Christmas novelties, doilies, baking cases. |
| Nutbrown Limited, Thos. M.<br>Blackpool. | Kitchenware; knives. |

### United States

| | |
|---|---|
| Schuco Toy Co. Inc.<br>New York, New York. | Mechanical, electric and stuffed toys with movable head. |

## Institutional Exhibits

SHIP VIA CANADIAN PORTS

EXHIBITORS IN THIS GROUP, which is already larger than last year, come to the Fair to sell opportunities and services rather than products. Attendants at the various stands are primed to tell the business visitor about export and import trade; the scope for industrial development or the resources of their country, province or city; the facilities offered by a shipping company, railway or harbour. Some, like the National Industrial Design Council which is showing prize-winning articles made in Canada, will display products. Others will provide a comfortable spot for weary visitors and a conference room where businessmen can talk things over.

The Norwegian booth has been designed with motifs on hydro-electric power and its exploitation and will have booklets and samples of products. A scale model of the planned community at Ajax on the outskirts of Toronto is being prepared by the Central Mortgage and Housing Corporation for its booth. The model will show the community as it is today—with factories, homes, shopping centre and schools—and the developments planned for the future, such as a civic centre, more houses and factories.

Almost every Canadian province has taken space this year—the Manitoba display includes 18 firms; Saskatchewan's represents ten major centres; the Maritime Provinces will, for the first time, sponsor a combined exhibit; and some of the leading cities in Quebec will be advertising their industrial attractions.

*Countries Exhibiting:* Canada, Belgium, Colombia, Denmark, Finland, Germany, Ireland, Italy, Netherlands, Norway, Spain, Sweden, United Kingdom, United States, Venezuela.

*Leading Exhibitor:* Canada.

### Canada

| | | |
|---|---|---|
| British Columbia, Government of the Province of, Department of Trade and Commerce | Statistical and pictorial exhibit of British Columbia's industries and attractions. | Victoria, British Columbia. |

| | |
|---|---|
| Central Mortgage and Housing Corp.<br>Ottawa, Ontario. | Ajax: a planned community for new industry. |
| City of Sherbrooke<br>Sherbrooke, Quebec. | Industrial development information. |
| City of Victoriaville<br>Victoriaville, Quebec. | Industrial development information. |
| City-wide Telephone Services Limited<br>Toronto, Ontario. | Answering service; mobile telephone service; burglar alarm service. |
| Crown Life Insurance Co.<br>Toronto, Ontario. | Conference room for the convenience of all Trade Fair exhibitors. |
| Halifax, City of<br>Halifax, Nova Scotia. | Canada's ocean playground—a progressive Canadian city. |
| Industrial Welding Schools Limited<br>Toronto, Ontario. | A complete course in gas and electric welding. |
| Manitoba, Province of<br>Winnipeg, Manitoba. | Department of Industry and Commerce. |
| National Harbours Board<br>Ottawa, Ontario. | Graphic display of national harbours of Canada. |
| National Industrial Design Council<br>Ottawa, Ontario. | Manufactured articles of Canadian origin winning NIDC Design Awards 1954. |
| New Brunswick, Province of<br>Department of Industry & Development<br>Fredericton, New Brunswick. | Industrial, trade and tourist information. |
| Newfoundland, Province of<br>St. John's, Newfoundland. | Products of Newfoundland. |
| Niagara Falls Industrial Committee<br>Niagara Falls, Ontario. | Prestige exhibit. |
| Port of St. John<br>New Brunswick. | Canada's leading all-year-round port. |
| Rimouski, Rivière du Loup,<br>Quebec. | Industrial development information. |
| Saguenay Region<br>Quebec. | Industrial development information. |
| Saskatchewan, Province of,<br>Department of Co-operation and Co-operative Development<br>Regina, Saskatchewan. | Trade and business information on Saskatchewan and its leading centres of distribution. |
| Sun Life Assurance Co. of Canada<br>Montreal, Quebec. | Institutional exhibit. |
| Thetford Mines<br>Quebec. | Industrial development information. |
| Toronto, Port of, The Toronto Harbour Commissioners<br>Toronto, Ontario. | Complete shipping service by water, road and rail. Airport facilities. |
| Trans-World Industrial Services Corp. Limited<br>Montreal, Quebec. | Engineering and contracting services for industry. |

## Belgium

| | |
|---|---|
| Belgian Committee for Fairs, Exhibitions and Expansion<br>Brussels. | Organization of the private companies for Belgian participation. |
| Belgian Foreign Trade Office<br>Brussels. | Information on Belgian import and export trade. |
| Belgian Ministry of Economic Affairs, Bureau of Fairs and Exhibitions<br>Brussels. | General organization of Belgian participation. |
| Brussels, Fair of<br>Brussels. | Information office. |
| Ghent, Fair of<br>Ghent. | Information office. |

## Colombia

| | |
|---|---|
| Flota Mercante Grancolombiana S.A.<br>Bogota. | Regularly scheduled fast freight services from East Coast Canadian and American ports direct to principal ports in Colombia and Ecuador. |

## Denmark

| | |
|---|---|
| Danish Government Committee on Exhibitions Abroad<br>Copenhagen. | Information on Danish exports. |

## Finland

| | |
|---|---|
| Government of Finland<br>c/o Legation of Finland<br>Ottawa, Ontario. | Prestige exhibit sponsored by the Government of Finland. |

## Germany

| | |
|---|---|
| Association of German Machinery Manufacturers<br>Dusseldorf. | Trade information. |
| German Tourist Association<br>Frankfurt/Main. | Tourist information. |
| German Trade Information Centre<br>Cologne. | Trade information. |
| Nordwestdeutsche Ausstellungs-Gesellschaft m.m.H. | Information booth. |

## Ireland

| | |
|---|---|
| Irish Export Promotion Board<br>Dublin. | Products of Ireland. |

## Italy

| | |
|---|---|
| Istituto Nazionale per il Commercio Estero (Italian Institute for Foreign Trade)<br>Rome. | Information booth. |
| The Italian Association of Optics and Precision Mechanics Manufacturers<br>Milan. | Enquiry services on Italian suppliers; publishers of the Directory of Italian manufacturers in this industry. |

## Netherlands

| | |
|---|---|
| Holland-America Line<br>Rotterdam. | Shipping services. |
| Holland-America Line<br>Montreal, Quebec. | Advertising transatlantic passenger services and various cruises. |
| Netherlands Institute for the Promotion of Foreign Trade<br>The Hague. | Trade information. |
| Oranje Lijn<br>Rotterdam. | Fast passenger and freight service between the Continent, Canada and Great Lakes. |

## Norway

| | |
|---|---|
| Norges Varemesse<br>Oslo. | Trade information. |

## Spain

| | |
|---|---|
| Spanish Commercial Office<br>Ottawa, Ontario. | Information on Spanish products. |

## Sweden

| | |
|---|---|
| Swedish Information Office<br>The General Export Association of Sweden<br>Stockholm. | Information on Swedish products. |

### United Kingdom

| | |
|---|---|
| United Kingdom Board of Trade<br>London. | Information service on British export trade. |

### United States

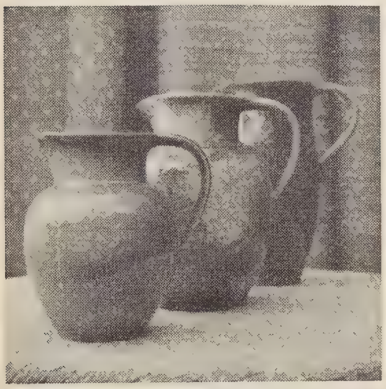
| | |
|---|---|
| New Orleans, Port of<br>New Orleans, Louisiana. | Port shipping facilities and transportation services, ocean and inland. |

| | |
|---|---|
| Norwegian Export Council Representative<br>New York, New York. | Trade information. |

### Venezuela

| | |
|---|---|
| Compania Anonima Venezolana de Navegacion<br>Caracas. | Regularly scheduled fast freigh services from East Coast Canadian and American ports direc to principal ports in Venezuela |

## Jewellery, Silverware, Glass and Ceramics



CRYSTAL CHANDELIERS and fancy jewellery, hand-blown and decorate art glass, pottery and earthenware, gold and silver novelties—all these wil make this one of the most eye-pleasing sections in the Fair.

Ireland is sending its Waterford glass again this year; last year the entir exhibit was bought by a Toronto department store. The making of thi glass is an 18th century craft which was revived in 1947 when 30 skille craftsmen undertook the training of apprentices. Belgium's famous glassware will, as always, be a major attraction. A new entry will be a Canadia pottery and earthenware manufacturer from the Maritimes, with figurines teapots, souvenirs, planters and advertising novelties.

Germany, the largest exhibitor, is bringing art goods and handicrafts in wood ivory and metal, as well as ceramics, glass and cloth. Austria's exhibit include fancy and imitation jewellery; pipes and cigarette holders made fro Meerschaum, calabash, ivory, silver, amber and artificial resin; lamp shades and bases; artistic pottery in faienc with underglaze painting, and novel fancy goods in bronze, silver and gold or with antique petit-point finish. Several Canadian firms will exhibit clocks—travel, alarm, desk, marine and fancy, spring-wound and electric

*Countries Exhibiting:* Canada, Austria, Belgium, Germany, Netherlands, Ireland, Italy.

*Leading Exhibitor:* Germany.

### Canada

| | |
|---|---|
| Canuck Potteries<br>Saint John, New Brunswick. | Pottery, earthenware, figurines, souvenirs, teapots, planters, advertising novelties, giftwares. |
| English Clocks Limited<br>Toronto, Ontario. | Travel, alarm, desk and fancy clocks. |
| Rensi Clocks (Canada) Limited<br>Toronto, Ontario. | Travel, alarm, desk and fancy clocks. |
| Smith & Sons (Canada) Limited, S.<br>Toronto, Ontario. | Spring-wound clocks; electric clocks; marine clocks; instruments. |

### Austria

| | |
|---|---|
| Bauer & Sohn, Andreas<br>Vienna. | Smokers' accessories: pipes, cigarette holders, in Meerschaum, calabash, ivory, silver, amber and artificial resin. |
| Benedikt, Eugen<br>Vienna. | Fancy jewellery: necklaces, bracelets, in Eloxal. |
| Forster, Edmund<br>Vienna. | Imitation jewellery. |
| Hofer & Sohn, Thomas<br>Vienna. | Imitation pearls and costume jewellery. |
| Kroepfel, G.<br>Linz. | Fancy jewellery. |
| Malzer, Ernst<br>Vienna. | Metal articles with petit-poin embroidery, such as ash tray mirrors, pendants. |
| Markones, Karl<br>Vienna. | Imitation jewellery, such a brooches, clips, earclips, ear rings, bracelets, necklaces imitation pearls, pearl necklace |
| Stoelzle Glasidnustrie AG<br>Vienna. | Crystal chandeliers, chandelie parts and trimmings; lamp base and shades; vases; laborator glass; fireproof glass fo kitchen. |
| Thomasch, Wilhelm<br>Vienna. | Artistic pottery in faience wit underglaze painting, such a statuettes, animals, vases, can delabra, ash trays, small boxe etc. |
| Tiroler Glashuette Komm. Ges. Altmann-Althausen<br>Kufstein. | Crystal, plain or cut, painte engraved and etched; lea crystal. |
| Vienna Schmuck Paul Hoerbiger & Co.<br>Vienna. | Novel fancy goods in bronz silver, gold or with antiqu petit-point finish: trays, jewe boxes, cigarette boxes, musi boxes, ash trays, mirrors, pe fume bottles, toilet sets. |

| | |
|---|---|
| Wallpach, Arno<br>Salzburg. | Costume jewellery; metal fashion buttons; souvenirs. |
| Witt, Carl<br>Salzburg. | Crystal salt and pepper shakers; mustard and jam jars; oil and vinegar bottles; cruet sets; ash trays. |

## Belgium

| | |
|---|---|
| Landgraf, A. (Verrerie de Luxe TCHECOVER)<br>Boussu-Le-Mons. | Hand-blown and hand-decorated Belgian art glass, gift and tableware; flower vases. Exclusive designs. |
| Verreries de Boussu<br>Boussu. | Glassware—handblown, plain, cut, decorated; giftware. |

## Germany

| | |
|---|---|
| Ausfuhrforderungsstelle Des Zentralverbandes des Deutschen Handwerks<br>Hannover. | Arts and crafts done in wood, ivory, metal, ceramics, glass, cloth. |
| Blachian Antik-Schmuck<br>Neuoetting. | Handmade silver jewellery from antique models; gift and souvenir articles. |
| Deusche & Co., Metallporzellanfabrik<br>Waldhausen. | Silver porcelain vases, lamps, sets. |
| Deutsche Filigrankunstwerkstaetten<br>Guenzburg-Donau. | Hand-made leonice silver filigree. |
| Hanhart, Uhrenfabrik, Adolf<br>Schwenningen a. Neckar. | Stop, wrist, alarm-wrist watches; electric switch-in and cable timers; chronographs of high precision; tourists' alarm-watches; "Duostop" battery watches. |
| Kagel, Wilhelm<br>Garmisch-Partenkirchen. | Ceramics. |
| Kasper, Kristallglaswerk, Franz<br>Neckarsimmern. | Crystal, lead crystal: vases, plates, glassware. |
| Perli,<br>Schwaeb.-Gmuend. | Jewellery: cloissonne, enamel. |
| Clary von Ruckteschell-Trueb<br>Dachau. | Ceramics. |
| Uhlmeyer, Richard<br>Hannover. | Ceramics, glassware, raffin figures. |

## Ireland

| | |
|---|---|
| Waterford Glass Limited<br>Waterford. | Lead-crystal cut and engraved glassware. |

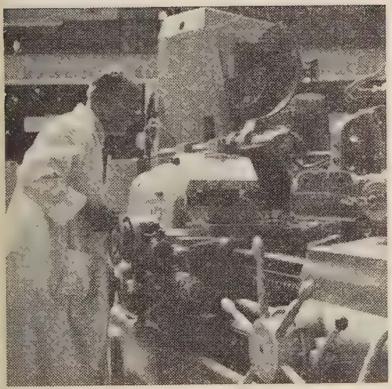
## Italy

| | |
|---|---|
| Romagnoli, Oreste<br>Florence. | Art metalwork, costume jewellery, novelties. |

## Netherlands

| | |
|---|---|
| Bonda Trading Co.<br>Schiedam. | Pearl essence for imitation pearls, buttons; nail polish, lacquers for decoration. |

# Machine Tools



THE MACHINE TOOLS SECTION has always proved a top-ranking Trade Fair attraction. This year it promises to provide a better-balanced show; Germany, the United Kingdom, and France are reserving less space but both Italy and Austria are sending more exhibits. Many buyers will find the wide range of woodworking equipment of special interest. One machine featured is an automatic single-end tenoner, used in furniture making, and capable of turning out straight tenons, at a simple angle, or at compound angles. The manufacturer says that in four to seven seconds the machine will cut the tenon, lop it off to length, round the ends, and haunch it.

A Canadian company is bringing an automatic shaper for turning out, with the aid of suitable jigs, small components such as brush handles and furniture parts. The table is so arranged that it will slow up for heavy cuts or intricate shapes and turn faster for straight cuts. Equipment for making veneers is being exhibited by a Swedish firm. Among the other machines to be shown are:

- A twist drill grinder of a new design, made in Britain. It handles drills of from ¼ inch to 1 inch and is said to obtain identical form of both lips automatically at one clamping. Clearances produced increase towards the tip of the drill.
- A hydraulic cold bending machine for forming steel sections, beams, rounds, and plate. British-made, this machine was put on the Canadian market last year and sold so well that a special modification was made to meet Canadian requirements. It now handles beams up to 24 inches deep in the cold set.
- A universal copying attachment made in France. Controlled either electrically or hydraulically, it is said to be capable of producing any type of form that can be made by turning.

- Semi-jig borers of particular interest to technical schools, because of their simplicity and low price.
- A semi-automatic, high-speed threading machine, which its British manufacturer is showing for the first time in North America. It will produce better concentricity at lower cost and can be used for other machining operations—such as turning, facing and boring—in the same chucking.

*Countries Exhibiting:* Canada, United Kingdom, Italy, Germany, France, United States, Belgium, Austria, Sweden, Switzerland.

*Leading Exhibitor:* Canada.

## Canada

| | |
|---|---|
| Acme-Bertram Machine Tools Limited<br>Toronto, Ontario. | Machine tools; small tools and gauges. |
| Alexander & Orlick Limited<br>Brantford, Ontario. | Gauges; diaphragm chucks and arbours, cone lock jigs, granite surface plates, angle plates and parallels; bench punch presses and milling machines. |
| Alison Machinery Company Limited, The<br>Toronto, Ontario. | Cutting tools of all types; machine tools. |
| Bainbridge Hunter Co., The<br>Lakeview, Ontario. | Bending, sawing, threading machines; sheers, punches, notchers; general metal-working machinery; small tools. |
| Barber Machinery, F. F.<br>Division Massey-Harris-Ferguson Limited,<br>Toronto, Ontario. | Hydraulic, automatic and standard machine tools; materials handling equipment; small tools; mill supplies. |
| Barer Engineering & Machinery Co.<br>Montreal, Quebec. | Ball and roller bearings, machine tools, lathes, milling machines, grinders, tappers. |
| Burnett Machinery (Canada)<br>Toronto, Ontario. | Production machinery; turret, capstan and engine lathes; presses. |
| Burnett Woodworking Machinery Limited<br>Toronto, Ontario. | Woodworking machinery for manufacturing furniture, plywood and joinery. |
| Callander Foundry & Manufacturing Co. Limited<br>Guelph, Ontario. | "Beaver" brand woodworking tools. |
| Canadian Fairbanks-Morse Co. Limited<br>Montreal, Quebec. | Machinery; machinists' tools; industrial supplies; materials handling equipment. |
| Canadian Siempelkamp Limited,<br>Hamilton, Ontario. | Veneer, plywood, hardboard, plastic presses; metal-working presses; veneer dryer, slicer. |
| Canwoodma Machinery Corp. Limited<br>Toronto, Ontario. | Woodworking machinery for all industries. |
| Churchill (Canada) Limited, Charles<br>Toronto, Ontario. | Production and precision machine tools; engineers' supplies and measuring equipment. |
| Colonial Tool Co. Limited<br>Walkerville, Ontario. | Hobs and broaches; high-speed cutting tools; end mills; gear shapers. |
| Cosa Corp. of Canada Limited<br>Toronto, Ontario. | Machine tools and accessories. |
| Durham Industries (Canada) Limited<br>Montreal, Quebec. | Hydraulic cold-bending machine, manufactured by Finley Engineering Limited of Newport, Monmouthshire, England. |
| Elliott (Canada) Limited, B.<br>Port Hope, Ontario. | Millers; shapers; drills; grinders; hacksaws; lathes, ironworkers' filters; engineering equipment. |
| Ferrovolt (Canada) Limited<br>Toronto, Ontario. | Metal-working machine tools an industrial equipment. |
| Gross Machinery and Supply Co. Limited<br>Toronto, Ont. | Vertical, horizontal milling machines; engine lathes; turre lathes; grinding machines—rotary, surface, tool, cutter. |
| Huron Lathe Company Limited<br>Toronto, Ontario. | Turret lathes, automatic lathes. |
| International Machinery Co. Limited<br>Hamilton, Ontario. | Machine tools; Weld-o-Matic spo welders; mill supplies; material handling equipment. |
| Jones & Shipman (Canada) Limited<br>Montreal, Quebec. | Precision grinding machines; surface, tool and cutter and universal grinders. |
| Lion Grinding Wheels Limited<br>Brockville, Ontario. | Grinding wheels for toolroom an production departments; als mounted points. |
| McDougall Co. Limited, The R.<br>Galt, Ontario. | Machine tools; lathes—engine gap, toolroom, extension bed special machinery. |
| Modern Tool Works Limited<br>Toronto, Ontario. | Metal-working machines. |
| Moody & Sons Limited, Matthew<br>Montreal, Quebec. | Woodworking machinery. |
| Pathex (Canada) Limited<br>Toronto, Ontario. | Machine tools. |
| Prenco Progress & Engineering Corp. Limited<br>Toronto, Ontario. | Machine tools. |
| Preston Woodworking Machinery Co. Limited, The<br>Preston, Ontario. | Production woodworking machinery; veneer, plywood an hardwood machinery; lumbe handling equipment. |
| Rex Machine Tool Co. Limited<br>Toronto, Ontario. | European machine tools: lathe turrets, milling machine radials. |
| Roberts Machinery and Supplies, H. H.<br>Toronto, Ontario. | Machine tools; small tools an accessories. |
| Rudel Machinery Co. Limited<br>Montreal, Quebec. | Machine tools; small tools; welding and materials handlin equipment. |
| Ruhl Machinery, H.<br>Toronto, Ontario. | Machine tools and industri equipment of highest rated Ge man firms. |
| Sandvik Canadian Limited<br>Mount Royal, Quebec. | Tungsten carbide-tipped tools. |
| Sarnia Marine and Machine Limited<br>Sarnia, Ontario. | Air compressors; band saws; ne type of portable flood light f emergency lighting. |

| | |
|---|---|
| Scott Ltd., Paul R.<br>Toronto, Ontario. | "Mitchell Granor" gema lathes; "Granor" shapers; "Rushworth" sheet metal equipment. |
| Sehl Engineering, Limited<br>Kitchener, Ontario. | Small routering machines; router bits. |
| Sykes Tool Corp. Limited<br>Toronto, Ontario. | Gear-cutting machines and tools; general machine tools, including woodworking machinery. |
| Transocean Machine Co. Inc.<br>Montreal, Quebec. | Lathes, grinding machines, thread-rolling machines, cold saws, tool grinders, ironworkers' milling machines, nibbling shears. |
| Upton Bradeen & James Limited<br>Toronto, Ontario. | Machine tools; small tools; materials handling equipment and industrial supplies. |
| Wickman (Canada) Limited, A. C.<br>Toronto, Ontario. | Wickaloy cemented carbide tools, tips and gauges; Wickman diamond wheels; small tools and gauges. |

## Austria

| | |
|---|---|
| Krause & Co., Ernst<br>Vienna. | Precision boring machines, one and multi-spindle. |
| Lipowsky, Franz<br>Vienna. | Saws and saw blades for manual and mechanical use; woodworking and machine knives. |
| Pini & Kay<br>Vienna. | Heavy-duty log-saw frames; high-speed edge circular saws. |
| Reiter Komm. Ges., Heinrich<br>Vienna. | Circlips. |
| Ruesch-Werke<br>Dornbirn. | Heavy-duty hydraulic metal cutting machines. |
| Schiessl & Co. GesmbH<br>Vienna. | Multi-purpose milling machines. |
| Zuckermann K. G.<br>Vienna. | Woodworking machines, 3 and 4 cutters; special machines for the manufacture of shoe-heels, shoe trees and parquetry. |

## Belgium

| | |
|---|---|
| Demoor, S. A. (Ateliers)<br>Brussels. | Lathes, centre; lathes, engine; lathes, heavy-duty; lathes, toolroom; threading machines. |
| S. A. Forges, Usines & Fonderies de Gilly<br>Gilly. | Horizontal boring and milling machines. |
| Imperia, S. A.<br>Nessonvaux-les-Liege. | Tool and cutter grinder; carbide tool grinder. |
| Pegard S. A., Ateliers Marcel<br>Andenne. | Horizontal boring machines; precision machine tools. |

## France

| | |
|---|---|
| A.F.M.O.<br>Paris. | Horizontal boring, surface grinding, capstan lathes; millers; automatic drill press. |
| Alliance de Constructeurs Francais de Machines-Outils<br>Paris | Machine tools. |
| OTUA<br>Paris. | Machine tools. |

## Germany

| | |
|---|---|
| Blohm, Fabrik fur Werkzeugmaschinen, Robert<br>Hamburg. | Precision surface grinding machines. |
| Bohle KG. Wertzeugmaschinenfabrik, Reinhard<br>Horstheide. | Universal milling machines; vertical milling machines; plain horizontal milling machines. |
| Boley & Leinen<br>Esslingen. | High precision engine toolroom short-bed lathes; precision turret lathes. |
| Collet & Engelhard A. G.<br>Offenbach. | Horizontal boring and milling machines. |
| Deckel, Friedrich<br>Munich. | Machine tools; letter-engraving machines; die-sinking machines; tool millers; tool grinders. |
| Festo-Maschinenfabrik G. Stoll<br>Esslingen. | Portable and stationary woodworking machine. |
| Gildemeister & Comp. Akt.-Ges.<br>Bielefeld. | Drum-type turret lathe. |
| Hahn & Kolb<br>Stuttgart. | Machine tools. |
| Heller Machine Co.<br>Stuttgart. | Cold-sawing machines, milling machines, centering machines; saw-sharpening machines. |
| Hessische Industrie Werke G.m.b.H.<br>Wetzlan. | High duty drilling machines. |
| Index-Verkaufs GmbH<br>Stuttgart. | Single spindle automatic screw machines up to 1" capacity. |
| Jung G.m.b.H., K.<br>Goeppingen. | Surface grinder. |
| Ludwigsburger Maschinenbau G.m.b.H.<br>Ludwigsburg. | Precision fine boring machines. |
| MSO Maschinen-und Schleifmittelwerke AG<br>Offenbach. | High production plain grinding machines; universal grinding machines. |
| Peddinghaus, Paul Ferd.<br>Gevelsberg. | Universal steel workers; billet shears; bar benders and flame-hardening machines. |
| Pfauter, Hobbing Machine Works, Hermann<br>Ludwigsburg. | "Pfauter" gear hobbing machines. |
| Schuette, Alfred H.<br>Cologne. | Multi-spindle automatic, universal tool and cutter grinder. |
| Torwegge, Franz<br>Bad Oeynhausen. | Woodworking machinery. |
| Torwegge, Spezialfabrik Moderner Holzbearbeitungsmachinen, Franz<br>Bad Oeynhausen. | Veneer composer; double-cut-off saw. |
| Trumpf & Co.<br>Stuttgart. | Special machine tools. |

## Italy

| | |
|---|---|
| Berardi R. Officine<br>Brescia. | Multi-spindle upright drill. |
| Camut S.p.A.<br>Turin. | Surface grinder (horizontal wheel spindle). |
| Caser Casati Ernesto & Figli<br>Pavia. | Radial drilling machines. |
| Ceruti Officine Meccaniche<br>Milan. | Universal horizontal boring machines. |
| Cima S.p.A.<br>Costruz. Ital. Macchine Attrezzi<br>Bologna. | Gear-hobbing machine. |
| Conti Luigi & C.<br>Varese. | Floor-type boring machine with sliding column. |

| | |
|---|---|
| Fiat-Gestione Macchine Utensili<br>Modena. | Radial drilling machine; upright drill. |
| FICEP<br>Fabbrica Ital. Cesoie & Punzonatrici<br>Varese. | Universal punching and shearing machines; bar cutter and shear. |
| Giustina S.p.A.<br>Turin. | Hydraulic precision universal grinders and centreless grinders. |
| Grazioli Off. Mecc. S.r.l.<br>Milan. | Centre lathe. |
| Magnaghi Brugherio S.p.A.<br>Milan. | Vertical broaching machine. |
| Maserati Officine Alfieri S.p.A.<br>Modena. | Vertical milling machines; universal milling machines. |
| Minganti Giuseppe & C. S.p.A.<br>Bologna. | Vertical milling machines (floor type). |
| Misal-Macchine Industriali Soc. Acc. Leto Macchine Utensili<br>Milan. | Universal milling machines. |
| Morando Fratelli & C. S.A. Officine Meccaniche<br>Turin. | Heavy-duty engine lathe. |
| Morini & Bossi di Morini, Amadori & C.<br>Milan. | Machine tools. |
| Nebiolo Societa<br>Turin. | Vertical milling machine. |
| Novarese F. LLI<br>Bologna. | Internal and face grinder. |
| Oerlikon Italiana Soc. Ind. Le p.A.<br>Milan. | Universal milling machine; vertical milling machine. |
| Olivetti Off. Mecc.<br>Turin. | Hydraulic grinding machines. |
| O.M.A. Soc. An.<br>Bologna. | Universal grinder. |
| Orlandi Off. Metalmecc. di Orlandi Bruno<br>Milan. | Hydraulic feed cold-sawing machine. |
| Pensotti Ezio Stab. Costruz. Meccaniche<br>Busto Arsizio. | Vertical boring and turning mill. |
| S.I.M.A.<br>Milan. | Vertical jig borer. |
| U.C.I.M.U.<br>Unione Costruttori Italiani Macchine Utensili<br>Milan. | National Machine Tools Builders' Association information booth. |

## Sweden

| | |
|---|---|
| Arboga Maskiner, A. B.<br>Arboga. | Drill presses, radial drills. |
| Eriksson, Jr., Erik<br>Torshalla. | Lathes. |
| Johansson Press & Mejarverktyg<br>Bofors. | Universal grinding machines. |
| Jonsereds Fabrikers A.-S.<br>Jonsered. | Woodworking machinery. |
| Rosenfors Bruk, A. B.<br>Rosenfors. | Universal and vertical milling machines; lathes. |
| Thorn A. B., L. S.<br>Stockholm. | Universal tool and cutter grinder. |
| Varnamo Maskin A. B.<br>Varnamo. | Universal milling machines and shapers. |

## Switzerland

| | |
|---|---|
| Maegerle Brothers Limited<br>Uster. | Heavy-duty precision surface grinding machinery. |

## United Kingdom

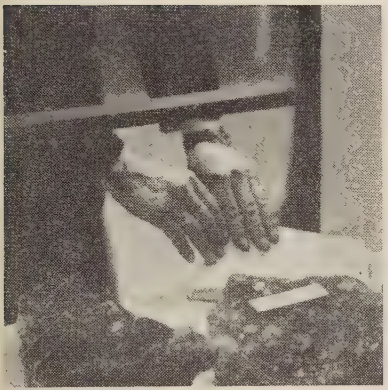
| | |
|---|---|
| Archdale & Co. Limited, James<br>Birmingham. | Vertical, radial, multi-spindle drilling machines; horizontal, universal, vertical milling machines. |
| Colchester Lathe Co. Limited, The<br>Colchester. | Toolroom and engine lathes, 12″ to 17″ swing. |
| Cri-Dan (London) Limited<br>London. | Sentinel Cri-Dan type "E" semi-automatic, high-speed threading machine. |
| Dean, Smith & Grace Limited<br>Keighley. | Precision engine lathes, 21″ swing x 72″ centres and 17″ swing x 72″ centres. |
| Elliott & Co. Limited, B.<br>London. | Millers, shapers, drills, grinders, hacksaws, lathes, ironworkers, filters, engineering equipment. |
| Herbert Limited, Alfred<br>Coventry. | Capstan, turret and automatic lathes; drilling, grinding and milling machines. |
| Lumsden Machine Co. Limited<br>Newcastle. | Rotary table vertical spindle grinders. |
| Meddings Limited, W. J.<br>Slough Trading Estate. | Drill presses. |
| Robinson & Son Limited, Thomas<br>Rochdale. | Woodworking and sawmilling machinery. |
| Rye Engineering Limited<br>High Wycombe. | Special machines for furniture manufacture. |
| Rye Machinery Sales (High Wycombe) Limited<br>High Wycombe. | Woodworking machinery: automatic shaping, tenoning, slot morticing, bending, boring. |
| Sagar & Co .,J.<br>Halifax. | Woodworking machinery. |
| Schubert Limited, H.<br>London. | Woodworking machinery. |
| Smith & Co. (Engineers) Limited, J.J.<br>Liverpool. | Machinery for sash doors, planing mills and joinery work. |
| Stenners of Tiverton Limited<br>Devon. | Stenner band resaw and other Stenner woodworking machines. |
| Sykes Limited, W. E.<br>Staines. | Machines, equipment, tools for gear production. |
| Wadkin Limited,<br>Leicester. | High-speed woodworking machinery, including specialized types for pattern makers. |
| Webster & Bennett Limited<br>Coventry. | Vertical boring and turning mills. |
| White & Sons Limited, Thomas<br>Paisley. | Woodworking machinery for sawmilling, joinery and furniture. |
| Wickman, Limited<br>Coventry. | Wickman five-spindle bar automatic; Hilmor tube benders. |

## United States

| | |
|---|---|
| Allison Co.<br>Bridgeport, Connecticut. | Abrasive cutting-off wheels. |
| Benchmaster Manufacturing Co.<br>Gardena, California. | Punch presses; roll feeds; back-geared presses; milling machines and accessories. |

| | |
|---|---|
| Brown & Sharpe Mfg. Co.<br>Providence, Rhode Island. | Machinists' tools; electronic measuring equipment; milling cutters. |
| Commander Mfg. Co.<br>Chicago, Illinois. | Adjustable multi-drills, tappers, multi-angle drills, new lead-matic tappers. |
| Dana Machine Corp.<br>Utica, New York. | Multi-purpose industrial woodworking machine. |
| Dumore Co.<br>Racine, Wisconsin. | Precision lathe grinders and hand grinders. |
| Giddings & Lewis Machine Tool Co.<br>Fond du Lac, Wisconsin. | 3″ spindle table-type horizontal boring, drilling and milling machine. |
| Gorton Machine Co., George<br>Racine, Wisconsin. | Milling machines; pantograph machines; die and mould duplicators; cutter grinders. |
| National Automatic Tool Co.<br>Richmond, Indiana. | Multiple drilling and tapping machines. |
| Racine Hydraulic & Machinery Inc.<br>Racine, Wisconsin. | Metal-cutting machines; railway portable machines; variable column hydraulic pumps and valves. |
| Reuland Electric Company<br>Alhambra, California. | Grinding equipment. |
| Rockwell Manufacturing Co.<br>Delta Power Tool Division,<br>Pittsburgh, Pennsylvania. | Power tools. |
| Sheldon Machine Co. Inc.<br>Chicago, Illinois. | Lathes. |
| South Bend Lathe Works<br>South Bend, Indiana. | "South Bend" precision machine tools: lathes, shapers, drill presses, pedestal grinders and accessories. |
| Thompson Grinder Co.<br>Springfield, Ohio. | Hydraulic surface grinders; toolroom grinders; truforming machines and broach grinders. |
| Walker-Turner Division of Kearney & Trecker Corp.<br>Plainfield, New Jersey. | Metal woodworking machine tools. |

# Metals, Chemicals and Raw Materials



YEAR BY YEAR this section of the Fair reflects progress in the development of raw materials for specific industrial uses. One Canadian company is exhibiting a plastic material known as "Micro balloons", which attacks the problem of evaporation losses in oil storage tanks. A one-inch layer of these tiny hollow particles is poured on the top of a full tank and forms a tight seal, cutting down evaporation by as much as 3½ barrels out of 100. Steel takes a leading place here. The French steel industry will set up a booth to provide information on French steels; one German and one Swedish company will be displaying various types of steel. A Canadian foundry will be bringing castings of stainless steel, alloy steel and carbon steel; two American firms will exhibit pre-plated and bonded metals and pre-painted metals.

The lightweight metals are well represented, with two Canadian manufacturers showing extrusions, castings and fabrications of magnesium alloy and another exhibiting aluminum products. Copper, tinplate, pig iron, plastics, and brass will all join the metals parade.

*Countries Exhibiting:* Canada, United States, United Kingdom, Germany, France, Sweden.

*Leading Exhibitor:* Canada.

### Canada

| | |
|---|---|
| Aluminum Co. of Canada, Limited<br>Montreal, Quebec. | Aluminum products. |
| Anaconda American Brass, Limited<br>New Toronto, Ontario. | Cooper and copper alloy sheets, strips, rods, tubes and special shapes; panel grids for radiant heating. |
| Bakelite Co.<br>Belleville, Ontario. | Fabricated products from phenolics, polyethylene, polystyrene plastics manufactured by Bakelite. |
| Dominion Foundries & Steel Limited<br>Hamilton, Ontario. | Tinplate; cold rolled steels; plate; castings; pig iron. |
| Dominion Magnesium Limited<br>Toronto, Ont. | Magnesium alloy extrusions, castings, fabrications; magnesium; calcium; titanium; zirconium; thorium. |
| Lebanon Steel Foundry of Canada, Limited<br>Montreal, Quebec. | Stainless, special alloy, and carbon steel castings. |
| Light Alloys Limited<br>Toronto, Ontario. | Magnesium alloy extrusion, castings, fabrications; magnesium, calcium, titanium, zirconium, thorium. |
| Noranda Copper and Brass Limited<br>Montreal, Quebec. | Copper and copper base alloys, sheet, strip, plate, rolls, rod, wire, pipe, tubing, special shapes. |

| | |
|---|---|
| Uddeholm (Canada) Limited<br>Toronto, Ontario. | High-quality steels in various forms. |
| Werner Co. (Canada) Limited, R.D.<br>Oshawa, Ontario. | Extruded, drawn and cold roll-formed metal sections. |

### France

| | |
|---|---|
| Office Technique pour l'Utilisation de l'Acier<br>Paris. | French steels. |

### Germany

| | |
|---|---|
| Ruhrstahl A. G. Henrichshuette<br>Hattingen/Ruhr. | Steel. |

### Sweden

| | |
|---|---|
| Uddeholms Aktiebolag<br>Uddeholm. | High-quality steels in various forms. |

### United Kingdom

| | |
|---|---|
| Hill Ltd., C. & L.<br>Willenhall. | "Chil' cast phosphor bronze bars, cored and solid; aluminum alloy gravity die castings. |
| Rigby & Sons, Ltd. John<br>Bradford. | Brass pinion rods and precision drawn sections; florists' wire. |

### United States

| | |
|---|---|
| American Nickleloid Company<br>Peru, Illinois. | Pre-plated metals; bonded metals. |
| Rodney Metals, Inc.<br>New Bedford, Massachusetts. | Pre-painted metals. |
| Worcester Pressed Steel Company<br>Worcester, Massachusetts. | Heavy and light metal stampings |

## Office Equipment and Supplies, Paper Products, Publications

FOR THE THIRD SUCCESSIVE YEAR the Canadian Business Manufacturers Association has taken a leading part in promoting this section at the Fair, which offers something for almost every business and businessman—the tools to simplify and speed up office operations. One example is a new electric calculating machine, manufactured in Germany and exhibited by the Canadian agent, which has a seven bank full keyboard, with ten digits in the answer and six digits in the revolution counter. The manufacturer claim that their machine makes division particularly simple. Foam-rubber lined for quiet operation, it comes in both fully and semi-automatic models and the price is said to be low. This exhibitor is also showing a German-made portable typewriter only 2⅓ inches high.

A two-way pencil sharpener from Switzerland should interest visitors to thi section. Its clear plastic container has two openings: one shaves off the woo without sharpening the lead—useful for draftsmen who work with a flat point; the other sharpens both wood and lead.

The Canadian agent of an Italian manufacturer will introduce at this year's Fair a versatile adding, calculatin and bookkeeping machine which has, he says, unlimited uses in operations such as accounts payable and receivable billing and payroll. The carriage on the machine permits extensions and postings to be done simultaneously.

These are a few of the wide variety of modern office equipment, furniture and supplies on display, includin industrial and technical magazines, atlases, advertising specialties and calendars.

*Countries Exhibiting:* Canada, Germany, Italy, Liechtenstein, Sweden, Switzerland, the United Kingdom, th United States.

*Leading Exhibitor:* Canada.

### Canada

| | |
|---|---|
| Acrow (Canada) Limited<br>Montreal, Quebec. | Mobile steel storage equipment for office and industrial uses; steel partitioning. |
| Addressograph-Multigraph of Canada Limited<br>Toronto, Ontario. | Business machines for all name and data writing, addressing, duplicating. |
| Age Publications<br>Toronto, Ontario. | Publishers of Heating, Plumbing and Air Conditioning Age; Oil and Gas Heat; Propane Worl Tavern; Restaurants and Inst tutions; Electronics and Com munications. |
| Bell Telephone Co. of Canada, The<br>Montreal, Quebec. | Bell teletype, management's su link between units; mobi telephone service. |

| | |
|---|---|
| Burroughs Adding Machine of Canada, Limited<br>Windsor, Ontario. | Complete line of business machines, microfilming equipment and business machine supplies. |
| Business Gifts Limited<br>Toronto, Ontario. | Advertising specialties; goodwill gifts; premiums, prizes and calendars. |
| Canadian National Telegraphs<br>Toronto, Ontario. | Teletype service: instantaneous typewritten, two-way communication for messages or multiple-copy sprocket-feed forms. |
| Canadian Pacific Telegraphs<br>Toronto, Ontario. | Teletype service: instantaneous typewritten, two-way communication for messages or multiple-copy sprocket-feed forms. |
| Canadian Universal Supplies<br>Toronto, Ontario. | Calculators. |
| Dawson Subscription Service Limited<br>Toronto, Ontario. | Magazines and publications (trade and technical). |
| Display in Motion<br>Long Branch, Ontario. | Standard and special mechanical displays made and designed to order. |
| Electro-Vox Inc.<br>Montreal, Quebec. | Electronic communication equipment for industry, schools, hospitals, institutions, ships; music transmission and paging systems. |
| Executone Communication Systems Limited<br>Toronto, Ontario. | Electronic communication, light signal, voice paging, sound and music systems; fire alarm, air raid alarm and time systems. |
| Futuramic Pencil Sharpener Canada Limited<br>Toronto, Ontario. | Patent pencil sharpener with camatic action and 10 point control. |
| General Adding Machine Co.<br>Toronto, Ontario. | Office machines. |
| Gordon & Gotch (Canada) Limited<br>Toronto, Ontario. | British technical magazines covering all trades. |
| Haloid Co., The<br>Toronto, Ontario. | XeroX copying equipment—direct positive copies by fast, dry electrical process. |
| Herring-Hall-Marvin Safe Co. of Canada Limited<br>Toronto, Ontario. | Bank equipment; chests; safe record files; safes; vault doors; wall safes. |
| Hofstetter Limited, M. P.<br>Toronto, Ontario. | Adding machines; calculating machines; printing calculators and typewriters. |
| International Business Machines Co. Limited<br>Toronto, Ontario. | Electric punched card accounting machines, electric typewriters, time equipment. |
| MacLean-Hunter Publishing Co. Limited<br>Toronto, Ontario. | Industrial publications serving the metal-working, printing, marine, power engineering and packaging fields. |
| Maison du Livre Français de Montreal Inc.<br>Montreal, Quebec. | Les editions encyclopediques, Quillet, Paris, France. |
| Mars Store Fixtures Co.<br>Toronto, Ontario. | Showcases, wallcases, display stands; store equipment. |
| Office Specialty Mfg. Co. Limited<br>Newmarket, Ontario. | Office furniture, steel and wood; filing cabinets and system supplies. |
| Photostat Corporation<br>Toronto, Ontario. | "Photostat" photographic copying apparatus and supplies; "Photostat" instant copier. |
| Preston-Noelting Limited<br>Stratford, Ontario. | Techniplan sectional wood office furniture and filing equipment. |
| Rotaprint Co. of Canada<br>Montreal, Quebec. | Lithographic printing presses; offset duplicators; process cameras; platemaking equipment. |
| Royal Typewriter Co. Limited<br>Montreal, Quebec. | Royal electric, standard and portable typewriters; Rototype supplies. |
| Rubery Owen, Canada Limited<br>Toronto, Ontario. | Steel office furniture: desks, files, chairs; industrial storage equipment. |
| Ben Sanders Co.<br>Toronto, Ontario. | Office appliances; telephone equipment; fountain pens; ballpoints; stationery; Hadinor pencil sharpener; Balacuir imitation leather. |
| Sankey & Sons Canada Limited, Joseph<br>Smiths Falls, Ontario. | Steel office furniture; office and factory shelving and partitioning. |
| Steel Equipment Co. Limited, The<br>Ottawa, Ontario. | Steel executive desks; filing cabinets; cupboards; counters; card index cases; horizontal card sections; lockers; waste baskets; library bookstacks. |
| Sunshine Waterloo Co. Limited<br>Waterloo, Ontario. | Steel office equipment; steel lockers; steel shelving. |
| Taylor Limited, J. & J.<br>Toronto, Ontario. | Safes; vault doors; safety deposit boxes; jail cells; cash chests. |
| Underwood Limited<br>Toronto, Ontario. | Adding and accounting machines; standard and electric typewriters and portables. |
| Visirecord of Canada Limited<br>Toronto, Ontario. | VISIrecord: vertical visible record-keeping system; VISIriter: hand spirit duplicator; Triposter: manual single-write posting machine; Flexisort: business machine. |
| Weber Costello of Canada Limited<br>Toronto, Ontario. | Chalkboards, chalk, erasers, art materials, maps, globes; school and office supplies. |

## Germany

| | |
|---|---|
| Addiator-Rechenmaschinenfabrik C. Kuebler<br>Berlin. | Small-size calculating machines for addition and subtraction; multiplication tables. |
| Adlerwerke, A. G.<br>Frankfurt/Main. | Office machines. |
| Bruening, Maschinenfabrik, Paul<br>Berlin-Borsigwalde. | "Resulta" small adding machines: direct subtraction, credit balance, multiplication, visible control. |
| Gustav A. Muecher<br>Munich. | Office machines. |
| Walther K. G.<br>Niederstotzingen. | Office machines. |

## Italy

| | |
|---|---|
| Olivetti & C., S.p.A., Ing. C.<br>Ivrea. | Printing calculators. |

## Liechtenstein

| | |
|---|---|
| Contina Limited<br>Vaduz. | Office machines. |

## Sweden

| | |
|---|---|
| Aktiebolaget Addo<br>Malmo. | Addo-x adding machines and multo calculators. |

## Switzerland

| | |
|---|---|
| Egli, Limited, H. W.<br>Zurich. | Madas calculators. |

### United Kingdom

| | |
|---|---|
| Acrow (Engineers) Limited<br>London. | Mobile steel storage equipment for office and industrial uses; steel partitioning. |
| B.B.C.<br>London. | British technical magazines. |
| Benn Bros. Limited<br>London. | British technical magazines. |
| Chubb & Sons Lock & Safe Co. Limited<br>London. | Vault doors; safe deposit lockers; safes; fire-resisting office equipment; locks. |
| Economist, The<br>London. | British technical magazines. |
| Engineering<br>London. | British technical magazines. |
| Evans Bros. Limited<br>London. | British technical magazines. |
| Geographical Magazine<br>London. | British technical magazines. |
| Harvey & Co. (London) Limited, G. A.<br>London. | Steel office and works storage equipment; perforated metals; woven wire cloth. |
| Iliffe & Sons Limited<br>London. | British technical magazines. |
| Industrial Newspapers Limited<br>London. | British technical magazines. |
| Leabank Office Equipment Limited<br>London. | Office and industrial seating; steel office furniture. |
| Lomax Erskine Co.<br>London. | British technical magazines. |
| Machinery Lloyd<br>London. | British technical magazines. |
| Machinery Publishing Co.<br>Brighton. | British technical magazines. |
| Marshall, Percival<br>London. | British technical magazines. |
| McGraw Hill Publishing Co. Limited<br>London. | British technical magazines. |
| Milners Safe Co. Limited<br>London. | Safes; vault doors; bank and security equipment; steel rolling shutters. |
| Morgan Bros. (Publishers) Limited<br>London. | British technical magazines. |
| National Trade Press<br>London. | British technical magazines. |
| Rubery, Owen & Co. Limited<br>Darlaston. | Steel office furniture; desks and filing cabinets; steel shelving; lockers. |
| The Owen Organization Rubery Owen & Co. Limited<br>Darlaston. | Office furniture and industrial seating; steel shelving; lockers; domestic appliances. |
| Temple Press Limited<br>London. | British technical magazines. |
| Tothill Press<br>London. | British technical magazines. |

### United States

| | |
|---|---|
| Coxhead Corp., Ralph C.<br>Newark, New Jersey. | Vari-Typer and DSJ composing machine and headliner. |
| Mosler Safe Co., The<br>New York, New York. | Safes; vaults; safe deposit boxes; bank vaults; night depositories; insulated record containers. |
| Weber Costello Co.<br>Chicago Heights, Illinois. | Chalkboards, chalk, erasers, art materials, maps, globes; school and office supplies. |

## Optical and Medical Instruments and Equipment

THIS SMALL SECTION carries equipment of primary interest to laboratory and research workers and those concerned with testing and control operations. Up to the time of writing, Italy was the leading space-holder, with the Italian association of makers of scientific and optical equipment organizing a composite display.

One Canadian firm is displaying a novel piece of equipment known as the "Projectomat". An automatic slide projector, it takes from 18 to 50 slides and is designed to operate continuously. Each slide is shown for a certain number of seconds, then another takes its place. It can be set at any desired speed and is proving particularly useful in display work and at conventions. The Projectomat has a high-quality German lens.

*Countries Exhibiting:* Canada, Italy, Germany.

*Leading Exhibitor:* Italy.

### Canada

| | |
|---|---|
| Carveth Limited, Walter A.<br>Toronto, Ontario. | Microscopes; laboratory instruments; cameras; photographic equipment. |
| Dynamic Displays-Bernard<br>Toronto, Ontario. | Automatic slide projectors, enlarging apparatus, turntables, advertising novelties of German origin. |
| Leitz (Canada) Limited, Ernst<br>Midland, Ontario. | Microscopes; laboratory instruments; cameras; photographic equipment. |
| Wakefield Company, The<br>Montreal, Quebec. | Laboratory supplies, apparatus and equipment. |

## Germany

| | |
|---|---|
| Leitz GmbH, Ernst<br>Wetzlar. | Microscopes; laboratory instruments; cameras; photographic equipment. |
| Praeszisions-Technik G.m.b.H.<br>Wertheim/Main. | Optical projection profile form grinder. |

## Italy

| | |
|---|---|
| Industria Scientifica Ottica Soc. r.1<br>Milan. | Microscropes, optical products, spectacle frames. |

# Packaging and Materials Handling Equipment

KEEPING DOWN PRODUCTION COSTS has become one of management's major concerns—and bulking large in those costs is the storage, transport, and handling of materials. Most of the equipment in this category has been designed to step up efficiency in this field and thus make economies possible. In the outside area, for example, one Canadian company will show a fork-lift truck with electrically operated chain hoists; another will bring cranemobiles and lodormobiles. From Sweden comes an hydraulic crane for mounting on trucks; from Britain, an exhibit of belt conveyors for bulk transport; from the United States, industrial towing tractors and electric fork trucks.

A Canadian subsidiary of an American company is bringing new products—a novel type of adjustable pallet racks, storage and shelving racks, and will also be demonstrating a new method of assembling guard rails. Many of last year's exhibitors—Canadian, U.S., and British—will be returning and one Canadian company will be showing set-up paper boxes, food and ice-cream cartons.

*Countries Exhibiting:* Canada, United States, Sweden, United Kingdom.

*Leading Exhibitor:* Canada.

## Canada

| | |
|---|---|
| Armstrong Limited, S.A.<br>Toronto, Ontario. | Industrial, hand and battery trucks; elevators, hoists and service lifts. |
| Atlas Polar Co. Limited<br>Toronto, Ontario. | HIAB hydraulic crane for mounting on trucks. |
| Automatic Paper Box Co. Limited<br>Toronto, Ontario. | Set-up paper boxes; food and ice-cream cartons. |
| Canadian Mobile Co. Limited<br>Vancouver, B.C. | Bull Moose fork-lift trucks; cranemobiles and lodormobiles. |
| Conveyancer Fork Trucks Division of Electro-Hydraulics (Canada) Limited<br>Toronto, Ontario. | Fork-lift trucks; battery chargers; truck attachments; tractors; hand trucks. |
| Kee-Klamp Division Dairy-Brewery Equipment & Engineering<br>Toronto, Ontario. | Kee-Klamp adjustable storage, pallet and shelving racks. |
| Pedlar People Limited, The<br>Oshawa, Ontario. | Steel shelving; storage bins; cabinets and lockers; expanded metal. |
| Ryder Machinery Co. Limited, J. H.<br>Toronto, Ontario. | Fork-lift trucks; towing tractors; electric hoists, cranes, monorail systems. |
| Taymouth Industries Limited<br>Toronto, Ontario. | Roll-formed channel. |
| Upton Bradeen & James Limited<br>Toronto, Ontario. | Power trucks; materials handling equipment. |

## Sweden

| | |
|---|---|
| Hydrauliska Industri AB<br>Hudiksvall. | Hydraulic crane for mounting on trucks. |

## United Kingdom

| | |
|---|---|
| Felco Hoists Limited<br>London. | Short headroom lifting appliances; chain hoists; adjuster equalizing slings; ratchet hoists. |
| Moss & Sons Limited, Wm.<br>London. | Hydraulic working platforms; scaffolding and maintenance trestles for overhead maintenance and construction. |
| Neal and Co. Limited, R. H.<br>London. | Mobile cranes, diesel and gasoline-powered. |
| Ransomes Sims & Jefferies Limited<br>Ipswich. | Industrial trucks, both fork-lift and platform types. |
| Sutcliffe Limited, Richard<br>Horbury, Wakefield. | Belt conveyors for bulk transport in industry. |
| Vaughan Crane Company<br>Manchester. | Hand and electric hoists. |

## United States

| | |
|---|---|
| Clark Equipment Co., Industrial Truck Division<br>Battle Creek, Michigan. | Gas and electric-powered fork-lift trucks; powered hand trucks; industrial towing tractors. |
| Lewis-Shepard Products Inc.<br>Watertown, Massachusetts. | Spacemaster electric fork trucks; jacknife electric trucks, walkie and riding types. |

# Plant Machinery and Equipment, Hand Tools

ONE OF THE SMALLEST PRODUCTS to be shown in this section has been developed by a British company—balls for ball bearings, made of ruby and sapphire. These balls are said to be much harder than steel, they do not corrode, and they have lower friction than the standard type. Even more diminutive is a ball only 3/1,000 of an inch in diameter, for use in gramophone needles. Another British firm is exhibiting a high-precision slitting and reeling machine that will work on a variety of materials, from paper to film, aluminum, tin and lead foil, fabrics, and rubber.

Plastics manufacturers will be interested in a machine produced in the United States and exhibited by the Canadian agent. An automatic precision moulding press, it is said to be particularly economical for low-production lines. It moulds all types of thermosetting plastics, including alkyds, at unusually high speeds. And speaking of plastics, a plastic body pump used to handle corrosive chemicals which eat into metal will also be on display.

Attaching fittings to wire rope is made simpler by a new method which will be demonstrated to fair-goers. Heart of the method is an hydraulic press which exerts great pressure on the metal ferrule. These ferrules are applied to the rope under such pressure that the metal in the ferrules flows into the spaces between the strands of wire to form a tight bond.

In another line, a Canadian company will be showing a 36-inch universal cutting machine which will cut steel up to six inches thick and to any desired shape within the 36-inch diameter circle. The finished cut face, the maker says, is almost equal to a machined finish. The same company is also showing a quasi arc-welding transformer. This oil-cooled, double-wound stepdown transformer has a welding range of 20 to 300 amperes and needs only a single operator. The operator can select instantly any one of 79 different welding currents.

Plant equipment covers such a wide range—from pneumatic tools to marking machines, from dust collectors to spray-painting guns, from hand tools to power sweepers—that a comprehensive preview is impossible. The visitor will have to see for himself.

*Countries Exhibiting:* Canada, United Kingdom, United States, Germany, Austria, Belgium, France, Italy, Netherlands, Sweden.

*Leading Exhibitor:* Canada.

### Canada

| | |
|---|---|
| Aro Equipment of Canada Limited<br>Toronto, Ontario. | Portable pneumatic tools and air hoists. |
| Barnard Foundries Limited<br>Brantford, Ontario. | Non-ferrous castings. |
| Bellows Pneumatic Devices of Canada Limited<br>Toronto, Ontario. | Air cylinders; drill press feeds; work feeders and work holders. |
| Binks Mfg. Co. of Canada Limited<br>Toronto, Ontario. | Spray painting and finishing equipment; water-cooling equipment. |
| Bradley Machine Co. Limited<br>Brantford, Ontario. | Press brake; brake dies. |
| British American Oil Co. Limited, The<br>Toronto, Ontario. | Petroleum products, cutting oils, heat treatment oil, quenching oils, gasoline, diesel fuel, hydraulic fluids. |
| British Oxygen Canada Limited, The<br>Toronto, Ontario. | Oxy-acetylene welding and cutting equipment; oxygen cutting machines; arc welding supplies. |
| B. S. A. Tools<br>Toronto, Ontario. | Engineers' small tools; machine-shop equipment. |
| Bull Dog Lacer Co. of Canada, Limited<br>Hamilton, Ontario. | Belt hooks, rawhide pins, vise tools and closing machines. |
| Burton Griffiths & Co. Limited<br>Toronto, Ontario. | Engineers' small tools; machine shop equipment. |
| Canadian Vickers Limited<br>Montreal, Quebec. | Cargo vessels; custom-made machinery; oil and chemical process equipment. |
| Crysler Machine Works<br>St. Catharines, Ontario. | Large and small container-filling machines. |
| Dominion Bridge Co. Limited<br>Montreal, Quebec. | Variety of steel fabrication, including bridges, steel frame buildings, cranes, boilers, platework, gratings; warehouse steel supplies; aluminum scaffolding. |
| Donald Ropes & Wire Cloth Limited<br>Hamilton, Ontario. | Steel wire rope; "Talurit" wire rope slings; wire cloth; perforated metals. |
| Dowty Equipment of Canada Limited<br>Ajax, Ontario. | Hydraulic pumps and components for industrial application. |
| Fischer Bearings (Canada) Limited<br>Toronto, Ontario. | Ball bearings; roller bearings; balls (steel and aluminum); pillow blocks. |
| Fisher & Ludlow (Canada) Limited<br>Ajax, Ontario. | Conveyors; pallets; steel and aluminum flooring, shelving, lockers; slotted angles. |
| Fluor Corp. of Canada, Limited<br>Toronto, Ontario. | Cooling towers; pulsation dampeners; petroleum and petrochemical engineering and construction equipment. |

| | |
|---|---|
| Force (Canada) Limited, Wm. A.<br>Grimsby, Ontario. | Steel marking dies, marking machines, steel stamps, and type. |
| General Welding and Industrial Supplies Limited<br>Toronto, Ontario. | Welding equipment, gas and electric; hand tools, electric tools; air tools. |
| Greening Wire Co. Limited, B.<br>Hamilton, Ontario. | Wire mesh partition panels; wire mesh stacking baskets; wire mesh Cargotainers. |
| Had-Mil (Canada) Limited<br>Montreal, Quebec. | Paper slitters and winders; paper mill machinery and accessories. |
| Hayward Gordon Limited<br>Toronto, Ontario. | Small pumps; deep-well submersible pumps; automatic lubricators; electric instruments; corrosion coatings and linings. |
| Houghton & Co. of Canada Limited<br>Toronto, Ontario. | Cutting oils, drawing compounds, quenching oils, lubricants and packings. |
| Imperial Oil Limited<br>Toronto, Ontario. | Industrial lubricants. |
| Kilian Manufacturing Corp. (Canada) Limited<br>Toronto, Ontario. | Unground ball bearings; ball-bearing casters. |
| Kipp Kelly Limited,<br>Winnipeg, Manitoba. | Dry-separating equipment, dust collectors, plastic elevator buckets. |
| Mall Tool Limited<br>Toronto, Ontario. | Electric, gasoline and pneumatic chain saws; portable power tools; flexible shaft machine concrete vibrators. |
| Marshall & Co. Limited, G.R.<br>Toronto, Ontario. | Industrial and engineering supplies. |
| Pattern Matchplate Co. Limited<br>Toronto, Ontario. | Pressure-cast products. |
| Plant Maintenance Equipment Co.<br>Toronto, Montreal and Vancouver. | Industrial powered maintenance equipment. |
| Plate and Structural Steel Limited<br>Toronto, Ontario. | Fabricated steel products; engineering facilities. |
| Ringball Limited<br>Montreal, Quebec. | Ball and roller bearings; oil seals; lathe chucks; grinding spindles; electric hand power tools; chain drive. |
| Roediger, Joseph<br>Hamilton, Ontario. | Saw-sharpening machine; planer; knife grinder; gang saws; swage machines; saw-tooth setting machines. |
| Seco Tool Co. Limited<br>Toronto, Ontario. | High-grade mechanics' tools. |
| Sheldons Engineering Limited<br>Galt, Ontario. | Air-conditioning, heating and ventilating equipment for industrial purposes. |
| Sparkler International Limited<br>Galt, Ontario. | Filters; industrial horizontal plate and semi-automatic heavy duty vertical plate. |
| Standco Canada, Limited<br>Toronto, Ontario. | Socket screw products; self-locking nuts; shop equipment of steel. |
| Star Expansion Bolt Co. Limited<br>Toronto, Ontario. | Anchoring and drilling devices for fastening to masonry surfaces. |
| Stokes Machine Co., F.J.<br>Montreal, Quebec. | Automatic moulding equipment for the plastic industry. |
| Stromberg Manufacturing Company<br>Regina, Saskatchewan. | Plunger and rotary-type barrel pumps. |
| Sun Oil Co. Limited<br>Toronto, Ontario. | Petroleum and products; lubricating oils; hydraulic oils; metal-working oils; waxes; process oils for rubber, textile and leather industries; petro-chemicals. |
| Super Oil Seal Mfg. Co. Limited<br>Hamilton, Ontario. | "Perfect" oil seals; precision moulded rubber products; "Rawhide" hammers and mallets. |
| Superior Propane Limited,<br>Toronto, Ontario. | Industrial propane gas-burning equipment and storage systems. |
| Taylor Tool Co. Limited, J.A.M.<br>Toronto, Ontario. | Metal-cutting tools; masonry anchoring products; taper pins and keys. |
| Toronto Iron Works, Limited, The<br>Toronto, Ontario. | Bins, hoppers, storage and pressure tanks, in steel plate, stainless steel, stainless clad; low-pressure boilers; blast furnaces. |
| Transocean Trading Inc.<br>Montreal, Quebec. | "Marathon" fine steel, hard metals, cold rolls; "Ruhrstahl" forgings, iron and steel castings. |
| Vancouver Machinery Depot Limited<br>Vancouver, Toronto and Montreal. | Valves, welding fittings, high pressure fittings, gauges, alloy castings and fittings. |
| Veeder-Root of Canada Limited<br>Montreal, Quebec. | Automatic counting and computing devices. |
| Walker Metal Products, Limited<br>Walkerville, Ontario. | Industrial heat-treating furnaces; heat-resisting alloy castings and resistance wire. |

## Austria

| | |
|---|---|
| M. A. W. Maschinen-Apparate—und Werkzeugfabrik<br>Vienna. | Spray painting guns. |
| Murexin chem. Fabrik Forster & Haendel<br>Vienna. | Protective coating, auxiliary material, insulating materials for builders. Carboline in colours—red, green, brown and natural. |

## Belgium

| | |
|---|---|
| Ed Courtoy<br>Hal. | Tabletting and preforming machinery; chemical and pharmaceutical machinery. |

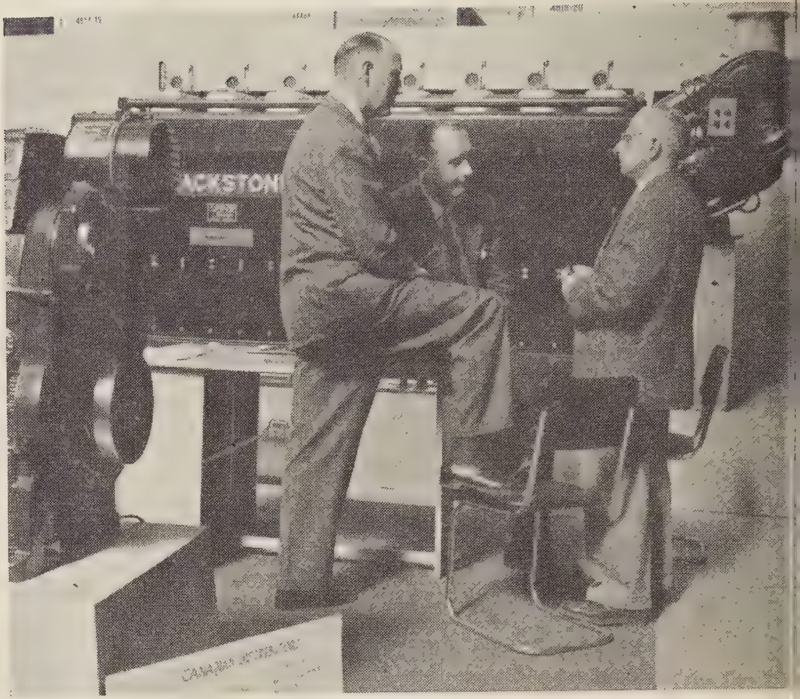
## France

| | |
|---|---|
| Compagnie des Entreprises Industrielles-Babitless<br>Paris. | Cyratory rock and ore crushers of an entirely new design. |

## Germany

| | |
|---|---|
| Donbzinski, Gerd.<br>Dusseldorf. | Hacksaws for metal and steel; "Orion-Hako" fully hydraulic, cross-cut saws. |
| Dowidat-Werke, Willi Dowidat<br>Remscheid-Luettringhausen. | Modern quality tools for the automotive and engineering trades. |
| Losenhausenwerk Dusseldorfer Maschinenbau A. G.<br>Dusseldorf. | Universal balancing machine. |
| Pleuger & Co.<br>Hamburg. | Deep-well submersible pumps. |
| Wagner Machine Tools Works, Gustav<br>Reutlingen. | Saw-blade sharpening machines. |

*Feature of the Trade Fair is the trained personnel in charge of various stands, and the technicians thoroughly versed in the operation of the machines. Here, preliminary inspection of a complicated machine finished, two buyers get down to cases with the man in charge. To make this a truly 'business' Fair, it is open to the public on two days only.*



| | |
|---|---|
| Wetzel & Schlosshauer<br>Heidelberg. | Automatic lubricators. |

## Italy

| | |
|---|---|
| Officine di Villar Perosa S.p.A., RIV<br>Turin. | Ball and roller bearings. |

## Netherlands

| | |
|---|---|
| Grasso's Machinefabriken N. V.<br>'s-Hertogenbosch. | Air-conditioning, refrigeration, deep-freezing, compressed air equipment; pneumatic tools; tanks; compressors. |
| P. C. Andre de la Porte & Co. N. V.<br>Haarlem. | "Tracta" ball and roller bearing extractor. |
| van Heijst & Zonen N. V., J. B.<br>'s-Gravenhage. | Central heating equipment; heaters (commercial and domestic); boilers. |

## Sweden

| | |
|---|---|
| Bergmans Chuckfabrik, A. B.<br>Tyringe. | Lathe chucks. |

## United Kingdom

| | |
|---|---|
| Alexander Machinery Limited, Geo. H.<br>Birmingham. | Die-sinking engraving machines; nut tappers; toolmakers' optical accessories. |
| Bigwood & Son, Limited, Joshua<br>Wolverhampton. | Plate benders, tube stretchers, heavy machinery. |
| British Manufactured Bearings Limited<br>Crawley. | Precision miniature ball bearings; steel and jewel balls. |
| Burnerd & Co. Limited, F.<br>London. | Precision lathe chucks, independent and self-centering, 2″ to 28″; quick-change turning toolholders. |
| Daniels, T. H. & J., Limited<br>Stroud. | Downstroke self-contained moulding presses for plastics and rubber. |
| E. M. B. Co. Limited<br>West Bromwich. | Pneumatically operated, high-speed, cold chamber die-castin machine. |
| Federation of British Hand Tool Mfrs.<br>Sheffield. | Hand tools. |
| Foster, Yates & Thom Limited<br>Blackburn. | "Lancastrian" hydraulic plasti moulding press; "Rotocube" dry powder mixers. |
| Harden Limited, C. A.<br>Hyde. | Paper slitters and winders; pape mill machinery, accessories. |
| Masson Seeley and Co. Limited<br>London. | Machines for production of plate instrument dials, panels; textil marking machines. |
| Merrill Pumps Limited<br>Sheffield. | Glandless, self-priming, tube diaphragm pumps for acids an chemicals. |
| National Federation of Engineers' Tools Mfrs.<br>Sheffield. | Hand tools. |
| Neuman Limited, Ch. J.<br>South Croydon. | Greasing equipment; grease fit ings; hand compressors; greas guns and grease nipples. |
| Projectile & Engineering Co. Limited<br>London. | Die-casting machines; injectio and extrusion machines fo plastics. |
| Shaw & Co. Limited, Francis<br>Manchester. | Plastics and rubber machinery. |
| Tecalemit Limited<br>London, Plymouth. | Mechanically and hand-operate lubricating equipment; greas guns and fittings. |
| Universal Grinding Wheel Co. Limited<br>Stafford. | Grinding wheels and all types o abrasive products. |
| Windsor Limited, R. H.<br>Surbiton. | Plastic injection moulding machines; extrusion machines moulds, dies and accessories. |

### United States

| | |
|---|---|
| Ampco Metal Inc.<br>Milwaukee, Wisconsin. | Amcoloy resistance welding holders, tips, wheels and dies. |
| Grobet File Co. of America, Inc.<br>New York, New York. | Swiss precision and rotary files for machinists, jewellers and die-makers. |
| Holo-Krome Company,<br>Hartford, Connecticut. | Socket head cap screws; set screws; stripper bolts. |
| Jabsco Pump Co.<br>Burbank, California. | Small pumps. |
| Jones & Lamson Machine Company<br>Thread Tool Division<br>Springfield, Vermont. | Automatic opening die heads, chasers and related products. |
| Manheim Manufacturing & Belting Co.<br>Manheim, Pennsylvania. | VeeLink V-belting adjustable to any length, adaptable to any drive. |
| New Hermes Engraving Machine Corp.<br>New York, New York. | Portable and bench type engraving machines for engraving name plates, dials, panels, milling and profiling on metals or plastics. |
| Northwestern Tool & Engineering Co.<br>Dayton, Ohio. | T-nuts, flanged nuts, studs, step blocks and clamps, etc. |
| Precision Welder & Flexopress Corp.<br>Cincinnati, Ohio. | Resistance welders—spot, seam and flash types; roll feed presses. |
| Prairie Tool Company<br>Prairie du Chien, Wisconsin. | Hand grinders; bench vises; utility grinder. |
| Rahn-Granite Surface Plate Co.<br>Dayton, Ohio. | Black granite precision surface plates, angle plates, parallels and straight edges. |
| Shalco Engineering Corp.<br>Palo Alto, California. | Foundry machines and supplies. |
| Shallway Corp.<br>Connellsville, Pennsylvania. | Foundry machinery and supplies. |
| Standard Pressed Steel Co.<br>Jenkintown, Pennsylvania. | Socket screw products; self-locking nuts; shop equipment of steel. |
| Sweco Separator Division<br>Southwestern Engineering Company<br>Los Angeles, California. | Industrial screens for chemical and food industries and sewage disposal. |
| Tennant Co., G. H.<br>Minneapolis, Minnesota. | Heavy-duty industrial floor machines; power sweepers; floor-treating material. |
| Tinius-Olsen Testing Machine Co.<br>Willow Grove, Pennsylvania. | Universal and compression testers; brinell testers; static and dynamic balancing machines. |
| Wilson Mechanical Instrument Division of American Chain & Cable Co.<br>New York, New York. | Rockwell hardness testers, regular and superficial; Tukon micro-hardness testers. |

## Power Equipment

LAST YEAR, exhibits of this type were included under plant equipment; this year, with a larger number of entries, a separate category has been established. The displays will reflect the increasing postwar popularity of diesel engines in many applications. One Canadian company will be taking space at the Fair for the first time to show stationary diesel engines made at its big new plant in London. Another Canadian manufacturer will set up a complete 1,000 kw. diesel power plant, consisting of a diesel engine, starting and cooling equipment, and generator control panels. Denmark is another first-time exhibitor in this section, with a line of diesel engines.

A U.S. firm will be demonstrating a liquid drive which has a wide range of applications in the distribution of power. It uses water as a driving medium instead of the more usual oil; has never before been shown at any exhibition. Nearby, a Canadian firm will have a display built around a mobile training unit, which includes a motivated cutaway engine. Many other famous names in this field, such as Rolls Royce, Vickers Inc., and Burmeister and Wain, will be represented.

*Countries Exhibiting:* Canada, United States, Germany, Denmark.

*Leading Exhibitor:* Canada.

### Canada

| | |
|---|---|
| Brush Aboe (Canada) Limited<br>Toronto, Ontario. | Diesel engines; diesel generating sets; electric motors. |
| Dodge Manufacturing Company<br>(Division of United Steel Corp. Limited)<br>Toronto, Ontario. | Conveying equipment and machinery for the mechanical transmission of power. |
| General Motors Diesel Limited<br>London, Ontario. | Diesel engines. |
| Leyland Motors (Canada) Limited<br>Longueuil, Quebec. | Diesel power units. |
| Line & Cable Accessories Limited<br>Toronto, Ontario. | Pole line hardware; transmission line materials; sub-station equipment; power connectors. |

| | |
|---|---|
| Perkins (Canada) Limited, F.<br>Toronto, Ontario. | High-speed automotive, industrial, agricultural and marine diesel engines. |
| Rolls-Royce of Canada Limited<br>Montreal, Quebec. | "C" Range of rationalized oil engines. |

## Denmark

| | |
|---|---|
| Burmeister & Wain<br>Copenhagen. | Diesel engines and ship models. |

## Germany

| | |
|---|---|
| Klockner-Humboldt-Deutz A. G.<br>Cologne. | Air-cooled diesel engines for all purposes and relevant equipment specimens. |

## United States

| | |
|---|---|
| Burmeister & Wain American Corp.<br>New York, New York. | Bukh diesel engines for stationary industrial, auxiliary and marine application. |
| Hydraulic Press Mfg. Co., The Hydraulic Power Division<br>Mount Gilead, Ohio. | Hydraulic pumps; motors; cylinders; valves; power units; accessories. |
| Liquid Drive Division G. E. Nelson Company<br>Holly, Michigan. | Hydraulic variable speed and traction drives for industry. |
| Poole Foundry & Machine Co.<br>Baltimore, Maryland. | Flexible couplings for industrial equipment, mines and mills. |
| Vickers Inc.<br>Detroit, Michigan. | Complete line of hydraulic pumps, controls, cylinders, power units and transmissions. |

# Road-Building and Construction Equipment

IN THE WEEK before the Fair opens, power cranes, crawler excavators, pile drivers, road rollers, and many other machines lumber into the Exhibition Grounds and wheel into position in the area sometimes called the CITF "midway". In this section of the Fair, the machinery that tackles big construction and highway jobs goes on display—and the prospective buyer often has the opportunity to watch it at work.

A Canadian company making its debut at this Fair is showing a driverless shuttle truck for transporting bulk materials such as concrete. It operates on a single rail which requires a support only at 12-foot intervals. This means that the truck can carry materials over rough ground without the necessity of prepared runways.

Another firm, established in Canada as a result of last year's Fair, will exhibit a line of power rammers for tamping earth and concrete, and also a pile-driving machine. In this section the visitor can also see a midget ¼ cubic-yard crawler shovel, which will be produced at a factory soon to be opened in Kitchener, Ontario.

A self-propelled crane to be shown by a U.S. company is said to be the only gasoline-electric powered crane of its type. One of its special features is an automatic safe-load indicator, which limits the safe work load of the crane at any radius by cutting off the motion automatically when the safety limit is exceeded.

Among the other highlights in this busy section will be:

- Peat-winning machinery and soft land tractors, shown by an Irish firm.
- A self-contained, pneumatic-tired unit for transport hauling by standard-type tractors. The unit has a capacity of up to 60 tons per hour.
- A four-axle truck, made in the United States, useful for carrying extra heavy weights of concrete, etc.

*Countries Exhibiting:* Canada, United Kingdom, United States, Germany, Ireland.

*Leading Exhibitor:* Canada.

## Canada

| | |
|---|---|
| Almar Specialty Machines Limited<br>Toronto, Ontario. | Counter current rapid mixers for every manufacturing and testing application in construction, chemical and other major industries. |
| Ardelt Industries<br>Kitchener, Ontario. | "Ardelt" Midget D200" ¼ cu. yd. crawler shovel. |
| Burnett Machinery (Canada)<br>Toronto, Ontario. | Manually-operated post drivers, concrete breakers, sheeting drivers, post lifters. |
| Canadian Ingersoll-Rand Co. Limited<br>Montreal, Quebec. | Rock drilling equipment; contractors' air tools; portable air compressors. |

| | |
|---|---|
| Chaseside Engineering Co. (Canada) Limited<br>Unionville, Ontario. | Front-end loaders and dumpers. |
| Contractor's Equipment Division United Steel Corp. Limited<br>Welland, Ontario. | Concrete mixing and moving machinery; central and ready mix plants; weigh-batching equipment. |
| Contractors Machinery & Equipment Limited<br>Hamilton, Ontario. | Construction, industrial and agricultural machinery; all types mechanical handling equipment. |
| Dominion Brake Shoe Co. Limited<br>Joliette, Quebec. | Mining, contracting, quarrying, lumbering, miscellaneous manganese castings. |
| Dominion Engineering Co. Limited<br>Montreal, Quebec. | Power cranes and shovels, crawler and truck-mounted. |
| Drayton Construction Equipment Limited<br>Toronto, Ontario. | Mono-rail concrete transporter; small weighbatching equipment for concrete. |
| Godsall Equipment Limited, G. H.<br>Toronto, Ontario. | Euclid equipment for moving earth, rock, coal and ore. |
| Koehring-Waterous Limited<br>Brantford, Ontario. | ½ yard shovel; 8-12 ton tandem road roller; 1,000 lb. portable asphalt plant. |
| Nordic Truck & Equipment Co. Limited<br>Weston, Ontario. | "Sicard" sanivans, snow blowers, flushers, trucks; "Federal" trucks; "Rootes" gulley emptiers; "Wayne" sweepers. |
| Special Construction Machines Limited<br>Toronto, Ontario. | Delmag power rammers for tamping earth and concrete; pile drivers. |
| Steels Engineering Products (Canada) Limited<br>Toronto, Ontario. | Self-propelled or truck-mounted gasoline-electric cranes. |
| Truck Engineering Limited<br>Woodstock, Ontario. | Low-bed machinery trailers; utility bodies; winches; transport semi-trailers. |
| United Steel Corporation Limited<br>Welland, Ontario. | Mono-rail concrete transporter; small weighbatching equipment for concrete. |
| Warsop Power Tools Limited<br>Toronto, Ontario. | Gasoline, operated portable rock drills; rammers; road breakers; centrifugal pumps. |

### Germany

| | |
|---|---|
| Delmag-Maschinenfabrik<br>Esslingen A. N. | Power rammers for tamping earth and concrete; pile drivers. |
| Demag Aktiengesellschaft<br>Duisburg. | Floating crane model; hammer drills; furnace model; ozoniser. |
| Stoehr, Wilhelm<br>Offenbach. | Small bucket loader. |

### Ireland

| | |
|---|---|
| Thompson & Sons Limited, Thomas<br>Carlow. | Mole drainers and soft-land tractors; peat-winning machinery. |

### United Kingdom

| | |
|---|---|
| Aveling-Barford Limited<br>Grantham. | Road rollers, diesel and gasoline; earthmoving and civil engineering equipment. |
| Frederick Parker Limited<br>Leicester. | Rock and gravel crushers; concrete mixers. |
| Road Machines (Drayton) Limited<br>West Drayton. | Mono-rail concrete transporter; small weigh-batching equipment for concrete. |

### United States

| | |
|---|---|
| Coles Cranes Inc.<br>Joliet, Illinois. | Self-propelled or truck-mounted gasoline-electric cranes. |
| Koehring Co.<br>Milwaukee, Wisconsin. | Power shovels; cranes; concrete paver and mixers; power wheelbarrows; trenching machines; dumptors; materials batching and handling equipment. |

## Scientific Equipment and Supplies, Precision Tools and Gauges

"A FEATURE OF THE POSTWAR ENGINEERING SHOP", says a British expert, "is the growing number of precision optical and measuring instruments . . . Their accuracy and quality compare with the instruments of a scientific laboratory, yet they are constructed to allow reliable and easy use under workshop conditions." Careful examination of the products displayed in this part of the Fair will confirm this observation. Well-known Canadian, American, British, Italian, Austrian and Swedish firms will be showing precision equipment such as contour projectors, gauging inspection equipment, hardness testers, industrial measuring instruments, Wheatstone bridges, etc. This section also carries time recorders, marine and watchmen's clocks, electrical indicating meters, and allied equipment.

A prominent Italian manufacturer will be bringing a line of measuring instruments for cars, motorcycles, and other vehicles. The newest of these, the "Tachimedion", makes possible the immediate reading of the *average* speed of the vehicle. The same company will display a new set of speedometers engineered expressly for the new light motorcycles and motor scooters being made in Italy.

The instruments exhibited here are used by a wide range of industries. Meteorological control instruments automatic and manual control devices used in heating and refrigeration, centrifuges for laboratories and researc departments, meters for measuring moisture in timber, process and machine timers—these and many other type of equipment are included in this interesting section.

*Countries Exhibiting:* Canada, United Kingdom, Italy, Austria, Sweden, United States, Germany.

*Leading Exhibitor:* Canada.

## Canada

| | |
|---|---|
| Beaconing Optical and Precision Materials Co. Limited<br>Montreal, Quebec. | Precision industrial measuring instruments. |
| Bestec (Canada) Limited<br>Toronto, Ontario. | Cutting tools, measuring instruments, gauges. |
| Can Aero Consultants Limited<br>Toronto, Ontario. | Carl Zeiss optical tools; surveying transits; high-speed drills; reamers, cutters. |
| Canadian MSE Limited<br>Toronto, Ontario. | Specialized precision, production and inspection equipment; laboratory and research centrifuges; microtimes; homogenisers. |
| Davis Automatic Controls Limited<br>Toronto, Ontario. | Automatic and manual control devices for heating, refrigeration and industry. |
| Hammond Manufacturing Co. Limited<br>Guelph, Ontario. | Single and polyphase dry-type air-cooled industrial control circuit transformers. |
| Hughes Owens Co. Limited<br>Montreal, Quebec. | Engineering, architectural, artists' and photographic supplies; scientific instruments and materials. |
| I X L Engineering Co.<br>Toronto, Ontario. | Gauging inspection equipment; angles, surface plates, cubes, parallels, straight edges. |
| Lufkin Rule Co. of Canada, Limited, The<br>Barrie, Ontario. | Precision tools, measuring tapes and rules. |
| Negretti & Zambra (Canada) Limited<br>Montreal, Quebec. | Meteorological control instrumentation. |
| Satchwell Controls (Canada) Limited<br>Montreal, Quebec. | Automatic temperature controls. |
| Stark Electronic Instruments Limited<br>Toronto, Ontario. | Electrical indicating meters, panel and portable; tube testers; volt, ohm milliameters; vacuum tube voltmeters; signal generators; oscilloscopes and allied equipment. |
| Staroba Industrial Research Co. Ltd.<br>Toronto, Ontario. | Gauges; measuring instruments; machine tools; knitting and textile machines. |

## Austria

| | |
|---|---|
| Norma Fabrik Elektr. Messgeraete Ges.m.b.H.<br>Vienna. | Electrical measuring, recording, switchboard, handy-type, multi-range and precision instruments; bridges; electronic moisture testers. |
| Seibold, Ludwig<br>Vienna. | pH measuring instruments; pH recording and regulating appliances for laboratories and industries; hydorit water purification plants (electrodialytic system). |

## Germany

| | |
|---|---|
| Askania Werke A.G.<br>Berlin. | Geophysical, surveying, engineering instruments. |
| Lotter, Johann Chr.<br>Neustadt. | Drawing instruments. |
| Nestler A.G., Albert<br>Lahr. | Drawing instruments. |
| Zeiss Ikon A.G.<br>Stuttgart. | Cameras, photographic equipmen |

## Italy

| | |
|---|---|
| Borletti Frat. S.p.A.<br>Milan. | Inspection and measuring instruments; dashboard instrument for automotive industry; average speed indicator; clocks an watches. |
| Boselli Enrico S.p.A.<br>Milan. | Electric time recorders, tim switches, time systems; watchmen's clocks; marine clocks. |
| Cinemeccanica S.p.A.<br>Milan. | 35 mm. sound projection equipment and accessories; projection screens. |
| Filotecnica Salmoiraghi S.p.A.<br>Milan. | Surveying, meteorological an other optical, scientific an precision instruments. |
| Industria Scientificia Ottica Soc. r.l.<br>Milan. | Cameras, drawing instruments. |
| Officine Galileo di Milano<br>Milan. | Microscopes, metallographic an toolmakers'; analytical an microbalances; hardness tester extensometers; movie projectio lenses. |

## Sweden

| | |
|---|---|
| Instrument A.B. Metron<br>Stockholm. | Dial indicators. |

## United Kingdom

| | |
|---|---|
| Albion Twist Drill & Tool Co.<br>Middlesex. | Carl Zeiss optical tools; surveying transits; high-speed drill reamers, cutters. |
| Dawe Instruments Limited<br>London. | Precision electronic instrument pulse generators; valve voltmeters; stroboflash; dynami balancing machines; moisture-in-timber meters. |
| Machine Shop Equipment Limited<br>London. | Precision, production and inspection equipment; laboratory an research centrifuges; microtimes; homogenisers. |
| Tennant, Sons & Co., Limited, C.<br>London. | Penetrascope hardness tester. |
| Waddington Tool Limited<br>Wolverhampton. | Production gear tester for checking pitch, line, concentricit tooth uniformity. |

## United States

| | |
|---|---|
| Automatic Switch Co.<br>Orange, New Jersey. | Solenoid valves; mechanically c magnetically held contactor automatic transfer switches. |

| | |
|---|---|
| Eagle Signal Corp.<br>Moline, Illinois. | Single and multiple circuit process and machine timers; controlling counters. |
| Furnas Electric Co.<br>Batavia, Illinois. | Hand and foot-operated drum switches; pressure switches; magnetic starters. |
| Helicoid Gage Division of American Chain & Cable Co.<br>Bridgeport, Connecticut. | Pressure and vacuum gauges. |
| Hickok Electrical Instrument Co.<br>Cleveland, Ohio. | Electrical indicating (panel and portable) meters; tube testing, volt, ohm milliameters; vacuum tube voltmeters; signal generators; oscilloscopes and allied equipment. |
| Optical Gauging Products Inc.<br>Rochester, New York. | Contour projectors and optical gauging designs and equipment. |
| Sheffield Corp., The<br>Dayton, Ohio. | Gauges, precision measuring instruments, automation gauges, machine tools. |
| Starret Co., The L. S.<br>Athol, Massachusetts. | Mechanics' hand measuring tools and precision instruments; steel tapes; dial indicators; hacksaws, band saws and band knives; precision-ground flat stock. |
| Warrick Co., Charles F.<br>Berkley, Michigan. | Floatless liquid level controls for pump, boiler and industrial applications. |
| Woodworth Co., N. A.<br>Detroit, Michigan. | Precision gauges; cone-lok jigs; diaphragm chucks and arbours. |

# Smallwares and Hardware

THE CAR-OWNER who is overtaken by a sudden shower when he is busy polishing his car will find a product here that solves the problem. Developed in the United Kingdom, it's a non-silicone base polish, which is non-abrasive and can be used on many different surfaces. One of its main selling points is the fact that it is equally efficient on hot or wet surfaces; it cleans as it polishes.

Many of last year's exhibitors will be returning to show such things as woodenware, aluminum ladders of many types, flashlights and fuse plugs, and knives made of quality Sheffield steel.

*Countries Exhibiting:* Canada, United Kingdom, Germany.

*Leading Exhibitor:* Canada.

## Canada

| | |
|---|---|
| Baribeau & Son<br>Levis, Quebec. | Household chemicals; housewares; woodenwares; giftware; notions; saladware. |
| Chesley-Sarnes of Canada Limited<br>Essex, Ontario. | Ladders: aluminum, straight, extension, step. |
| Kruger Manufacturing Company Limited<br>Toronto, Ontario. | Canadian manufactured flashlights; household fuse plugs. |
| Ladore & Co. Limited<br>Walkerville, Ontario. | Overhead doors; hardware; porch railing; steel bathroom cabinets; chromium accessories. |
| Taylor, Phipps and Mustard Limited<br>Toronto, Ontario. | Nails, bicycles, tie-rod ends and coil springs, sprayers, tool kits. |

## Germany

| | |
|---|---|
| Weltersbach, Stahlwarenfabrik, Wilhelm<br>Solingen. | Hunting knives, pocket knives, pruning knives. |

## United Kingdom

| | |
|---|---|
| Bernard J. Ellis Limited<br>London. | Apollo, a non-silicone base polish, designed for all polishing purpurposes: woods, glass, cars, metals, paintwork. |
| Pasco Limited, T. T.<br>Swansea. | Nails, bicycles, tie-rod ends and coil springs, sprayers, tool kits. |
| Whiteroy Engineering Limited<br>London. | Decorative metal flower holders; sweet and fruit containers; metal trays. |
| Wilson (Sheffield), John<br>Sheffield, Yorkshire. | Double shear process butchers' knives, boning knives, steels. |

# Textile Products, Carpets, Upholstery

YEAR AFTER YEAR, the stands in this area continue to present a varie of yarns, materials, clothing and knitwear, but the roster of exhibiting cou tries changes. In 1953, Italian manufacturers were not represented; th year some twenty Italian firms will be exhibiting, with the emphasis woollens and worsteds. Hong Kong is another newcomer, with sanforiz men's dress shirts; Austria and Belgium have each taken a block of spac One German manufacturer will be showing a special type of all-season co suited to spring and fall wear and treated to withstand six hours of drivi rain. A separate lining is zipped in for winter warmth.

Textile machinery will be displayed in a special section set aside in t Automotive Building. Focus of interest here will be a machine developed Prince-Smith & Stells Limited and shown in conjunction with the Patons a Baldwins exhibit. This machine incorporates the Raper autoleveller system for the drawing of wool tops in yarns and was introduced at the textile machinery exhibition in Manchester, England, last October. The Tra Fair showing marks its debut on the American continent. The apparatus produces a wool sliver of absolute constant weight, irrespective of the variations in the feed in the early stages of the drawing process. This mea that the number of operations can be cut down without affecting yarn regularity; hand-knitting yarns, for examp can be produced with three drawing operations instead of the usual six or seven. Yarns and fabrics made the new system will be on display.

*Countries Exhibiting:* Canada, Austria, Belgium, France, Germany, Hong Kong, India, Italy, Japan, Netherlan United Kingdom, United States.

*Leading Exhibitor:* India.

## Canada

| | |
|---|---|
| GERCA (German Canadian Import & Export Company)<br>Winnipeg, Manitoba. | Women's suits; hosiery; cork novelties; cork luxury shoes; umbrellas. |
| Peeters Textile Mills Limited<br>Montreal, Quebec. | Royaloom cotton carpeting—twist, cut and Kalibar types. |

## Austria

| | |
|---|---|
| Actien Gesellschaft der Voeslauer Kammgarn-Fabrik<br>Bad Voeslau, N.Oe. | Worsted and woollen weaving and knitting yarns, natural and in colour; hand-knitting yarns. |
| Becker & Sohn, Ernst<br>Marchtrenk, O.Oe. | Carpet yarns. |
| Elias, Siegfried<br>Vienna. | Jersey dresses and suits. |
| Hummer, Leopold<br>Vienna. | Women's knitted wear in Vienna style. |
| Kugler, Franz<br>Vienna. | Knitted wear: jumpers, cardigans, sportswear, in Vienna style. |
| Marx & Co.<br>Vienna. | Tyrolean costumes, "Loden" (waterproof). |
| Oelmann & Hatzon<br>Vienna. | Girdles and belts for men and women. |
| Pischl, Franz<br>Vienna. | Woollen fabrics; "Loden" waterproof cord for skiing dresses. |
| Viktoria<br>Salzburg. | Knitted wear for men and women; cardigans, sweaters, pullovers, skiing pullovers, in pure wool. |

## Belgium

| | |
|---|---|
| Apollo<br>St.-Nicolas Waes. | All kinds of knitwear for m women, and children. |
| Biot-Believre, L.<br>Brussels. | Lace, linens, tablecloths; lin bed sheets; cotton and lin towels. |
| Duvieusart S. A., ets. H.<br>Eekle. | Curtain piece-goods, marquise and veilings (plain and fanc |
| Lainiere de Sclessin, S. A.<br>Sclessin. | Blankets. |
| Swallow, The<br>St. Nicolas. | All kinds of knitwear for m women and children. |
| Tissamex<br>Coutrai. | Furnishing fabrics, damask, b cade, uncut fabrics, silk f rics. |
| Van Houtte, Delcour<br>Bissegem. | Hosiery; sweaters; men's, wome and children's underwear; sp clothes. |
| Vrancken<br>Saint Niklaas. | Knitwear for men, women children. |

## France

| | |
|---|---|
| Manufacture Parisienne de Mouchoirs Fantaisie<br>Paris. | Fancy handkerchiefs, scarves linen, cotton, silk; embroide shirtings. |

## Germany

| | |
|---|---|
| Grimm, Bettenmanufaktur<br>Eisenfeld/Sieg. | "Toscana" quilts; feather beddi |

| | |
|---|---|
| Lodenfrey<br>Munich. | Men's and women's "Loden" wool coats, water repellent. |
| Oberbadische Angorawerke GmbH<br>Haulingen. | Men's and women's underwear of angora rabbit hair. |
| Staudinger, Rita | Women's and children's original bavarian skirts: handwoven, pleated, 100 per cent worsted wool or 100 per cent cuprama. |
| Vertriebsgesellschaft des Bekleidungswerks Liening m.b.H.<br>Kappeln/Schlei. | Women's, children's and teen-agers' coats. |

## Hong Kong

| | |
|---|---|
| Dah Chung Industrial Co. Limited<br>Hong Kong | Hand sewing, industrial and household needles; woodscrews, nails, tacks. |
| Tai Tung Company<br>Hong Kong. | "Doctor" and "University" brand men's high-standard sanforized dress shirts. |

## India

| | |
|---|---|
| India, Government of High Commissioner for India,<br>Ottawa, Ontario. | Brocades, saris, scarves, cotton grey goods, tickings and furnishing fabrics. |

## Italy

| | |
|---|---|
| Associazione dell'Industria Laniera Italiana<br>Biella. | Wool products. |
| Barbera & C., Carlo<br>Vercelli. | Worsteds and woollens. |
| Bertotto S. p.A., Fratelli<br>Vercelli. | Worsteds and woollens. |
| Bertotto S. p.A., Modesto<br>Vercelli. | High-quality worsteds and woollens. |
| Bona, Basilio<br>Turin. | Worsteds and woollens. |
| Bozzalla & Lesna S. p.A.<br>Vercelli. | Worsteds and woollens. |
| Cangioli, Lanificio<br>Florence. | Woollens, blankets and rugs. |
| Faini & Figli, Donato<br>Vercelli. | Worsted yarns for hand knitting; hosiery. |
| Fila S.p.A., Fratelli<br>Vercelli. | Worsteds and woollens; worsted yarns for hand knitting and industry. |
| Filatura di Grignasco<br>Novara. | Worsted yarns for hand knitting and industry. |
| Filatura e Tessitura di Tollegno<br>Vercelli. | Worsted and woollens; worsted yarns for hand knitting and industry. |
| Ing. Loro Piana & C.<br>Vercelli. | Worsteds and woollens. |
| Lanificio di Pollone Piacenza & C.<br>Vercelli. | High-class woollen fabrics for women. |
| Lanificio di Somma S. p.A.<br>Varese. | High-class blankets and rugs; worsteds and woollens. |
| Magnaghi, Piero<br>Milan. | High-class woollen hosiery and yarns. |
| Pria S. p.A., Alfredo<br>Vercelli. | Worsteds and woollens. |
| Rivetti S. p.A., Lanifici<br>Vercelli. | Worsteds and woollens. |
| S.A.M.I.T.<br>Vercelli. | Carpets. |
| Tessitura di Lane in Borgosesia S. p.A.<br>Vercelli. | Worsteds and woollens. |
| Zegna & Figli, Ermenegildo<br>Vercelli. | High-class worsteds and woollens. |

## Japan

| | |
|---|---|
| Japanese Committee for International Trade Fairs<br>Tokyo. | Textiles, porcelain ware, bamboo products, foods, toys, sewing machines, sporting goods, metal-ware, wooden products. |

## Netherlands

| | |
|---|---|
| "HOLLANDIA" Tricotage-fabriek N.V.<br>Veenendaal. | Cotton men's, women's and children's underwear; rayon and nylon slips. |

# Textile Machinery

## Canada

| | |
|---|---|
| Nilus Leclerc Incorporated<br>L'Islet, Quebec. | Weaving looms for hobbyists, education and occupational therapy. |
| Metiers Nadeau Looms Inc.<br>Montreal, Quebec. | Aluminum hand loom; weaving accessories; assorted fancy yarns; warping service. |
| Universal Knitting Machine Factory<br>Park Road P.O., Ontario. | New flat knitting machine, half and fully automatic; service and parts available in Canada and the U.S. |

## Germany

| | |
|---|---|
| Lustra-Ludwig Strauss Strickmaschinen,<br>Munich. | Knitting machines. |

## United Kingdom

| | |
|---|---|
| William Bywater Limited<br>Leeds. | High production needle loom for manufacture of felts and carpets. |
| Prince-Smith & Stells Limited<br>Keighley. | Raper auto-leveller system of worsted drawing, from top to roving. |

## United States

| | |
|---|---|
| Hand-Skill Looms, Inc.<br>Woonsocket, Rhode Island. | Aluminum hand loom; weaving accessories; assorted fancy yarns; warping service. |

# Tobacco and Accessories

THIS AROMATIC SECTION is dominated by the cigars and cigarillos being shown by three Netherlands firms Always a small group, the only other exhibitor this year is a Canadian tobacco company. Not included in thi category but to be found in other sections at the Fair are smoking accessories and related articles.

*Countries Exhibiting:* Canada, Austria, the Netherlands.

*Leading Exhibitor:* The Netherlands.

**Canada**

| | |
|---|---|
| Macdonald Tobacco Co., The<br>Montreal, Quebec. | EXPORT cigarettes. |

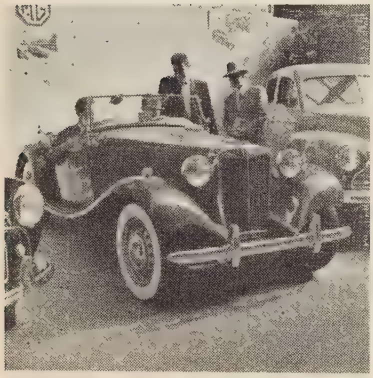
**Austria**

| | |
|---|---|
| Eduard Payer<br>Graz. | Electric razors, "Payer Lux"; electric time limit switches. |

**Netherlands**

| | |
|---|---|
| Mignot & de Block, N.V. Vereenigde Tabaksindustrieen<br>Eindhoven. | Cigars. |
| Royal Cigarworks Smit & Ten Hove<br>Kampen. | Cigars. |
| Van Schuppne's Ritmeester Cigarworks Limited, Gebr.<br>Veenendaal. | Cigars and whiffs. |
| Willem 11 Sigarenfabrieken, N.V., V/B H. Kersten & Co.<br>Valkenswaard. | Willem world-famous Dutch Sum atra cigars and cigarillos. |

# Transportation Equipment



DRAWING THE DIVIDING LINE between exhibits in this category and those in the aircraft section has proved rather difficult. This categor covers largely automotive transport and equipment, outboard motors, garag equipment, and railway equipment. Certain to attract businessmen managin construction or other projects are the trailer units built by an Ontario firm including a mobile machine-shop and bunkhouses that can be moved from place to place. This company will build to order trailers suited to an commercial use. Another manufacturer is exhibiting mobile homes, completely equipped before they leave the factory with everything from bed and bathroom fixtures to chairs and window drapes. These homes can b attached to a motor car for hauling.

A special type of wire-rope ending to be shown by one exhibitor is used o wire-rope slings and assemblies, increases their safety and strength, and make handling easier. The wire ends are permanently secured under steel collars. The same company is demonstratin "push-pull" controls for transmitting motion between two points when one or both are changing their relativ positions. Other Canadian exhibits include outboard motors which operate on "whispering power", eliminatin the usual noise.

The Netherlands is reserving space in this section to exhibit fire-fighting equipment of various types, portable fir engines, and fire hose, and also tires and tubes for motor vehicles. (The man who has to battle with snow rathe than fire can inspect the efficient Sicard snow-blowers.)

A variety of automotive equipment—generator and starter armatures, tire chains, brake hose, gas and oil lines leaf springs and leaves, heavy-duty trailer axles—completes this category.

*Countries Exhibiting:* Canada, United Kingdom, Netherlands, Germany.

*Leading Exhibitor:* Canada.

**Canada**

| | |
|---|---|
| Allanson Armature Mfg. Co., Limited<br>Toronto, Ontario. | Replacement automotive generator and starter armatures. |
| Automotive Spring Mfg. Co. Limited<br>Montreal, Quebec. | Automotive leaf springs an leaves, coil springs. |

| | |
|---|---|
| Dominion Auto Accessories, Limited<br>Toronto, Ontario. | Automotive protective lighting equipment. |
| Dominion Chain Company Limited<br>Niagara Falls, Ontario. | "Manley" garage equipment; tire chains; chain and wire rope slings. |
| General Coach of Canada Limited<br>Hensall, Ontario. | A mobile home complete in every detail for comfortable living. |
| Hamilton Gear and Machine Co. Limited<br>Toronto, Ontario. | Machine cut gears, transmission appliances and speed reducers. |
| Lawrence Radiators Limited, J. W.<br>Montreal, Quebec. | Coolant and oil radiators: aircraft, automotive and industrial applications. |
| McGuinnes Limited, H. B.<br>Peterborough, Ontario. | Mobile homes and custom commercial trailers. |
| Outboard Marine & Mfg. Co. of Canada Limited<br>Peterborough, Ontario. | Johnson, Evinrude, Elto outboard motors; Lawn Boy power mowers; Iron Horse engines. |
| Sylvester Steel Products Co. Limited<br>Lindsay, Ontario. | Railway inspection and maintenance-of-way vehicles. |
| Trailmobile Canada Limited<br>Toronto, Ontario. | Trailmobile commercial truck trailers; Trailmobile pilot hydraulic hoists and bodies. |
| Weatherhead Company of Canada Limited<br>St. Thomas, Ontario. | Automotive fittings, brake hose, gas and oil lines. |

### Germany

| | |
|---|---|
| Massey-Harris-Ferguson G.m.b.H.<br>Westhoven. | Roller chains. |

### Netherlands

| | |
|---|---|
| Kronenburg N.V., Gebr.<br>Hedel. | Fire-fighting equipment; portable fire engines; fire hoses. |
| Vredestein International<br>The Hague. | Tires and tubes for motor vehicles and bicycles; rubber footwear, mats, flooring, hoses, conveyor belting, sheeting, moulded articles. |

### United Kingdom

| | |
|---|---|
| Rubery Owen (Warrington) Limited<br>Warrington. | Heavy-duty automobile trailer axles. |
| Wilmot Breeden Limited<br>Birmingham. | Automobile and refrigerator die-cast and plastic components and accessories. |

# Guide to the Fair

## MAIN RECEPTION AREA

*General Information Office*

*Public Stenographers, Interpreters*

*Transportation Information and Booking*

*Post Office, Telephones, Telegraphs and Cables*

*C.I.T.F. Exhibitors' and Visitors' Committee*

*Department of Trade and Commerce*

- *Commodities Branch*
- *Industrial Development Division*
- *International Trade Relations Branch*
- *Trade Commissioner Service*
- *Export Credits Insurance Corporation*

*Canadian Broadcasting Corporation, International Service*

*Provincial Government Offices*

*Canadian Manufacturers Association*

*The Canadian Chamber of Commerce*

*Canadian Importers and Traders Association*

*Canadian Exporters Association*

## INDUSTRY BUILDING

*Canadian Standards Association*

*St. John Ambulance Association*

## W 1—COLISEUM

*Aircraft Machinery and Parts*

*Footwear, Leather and Leather Products*

*Household Furnishings and Appliances, Musical Instruments, Sporting Goods, Toys*

*Institutional Exhibits*

*Jewellery, Silverware, Glass and Ceramics*

*Textile Products, Carpets, Upholstery*

*Textile Machinery*

*Transportation Equipment*

## W 2–COLISEUM

*Food Products, Beverages*
*Institutional Exhibits*
*Tobacco and Accessories*

## E 1–COLISEUM

*Building Supplies and Materials, Heating and Plumbing Equipment*
*Household Furnishings and Appliances, Musical Instruments, Sporting Goods, Toys*
*Office Supplies and Equipment, Paper Products, Publications*
*Smallwares, Hardware*

## E 3–INDUSTRY BUILDING

*Machine Tools*
*Plant Machinery and Equipment, Hand Tools*
*Power Equipment*

## E 4–AUTOMOTIVE BUILDING

*Building Supplies and Materials, Heating Plumbing Equipment*
*Electrical Equipment (Industrial) Electrical Tools, Motors and Supplies*
*Farm Implements and Equipment*
*Institutional Exhibits*
*Machine Tools*
*Metals, Chemicals and Raw Materials*
*Optical and Medical Instruments and Equip*
*Packaging and Materials Handling Equipme*
*Plant Machinery and Equipment, Hand Tool*
*Power Equipment*
*Scientific Equipment and Supplies, Preci Tools, Gauges*
*Transportation Equipment*

## OUTSIDE AREA

*Construction and Road-Building Equipment*
*Packaging and Materials Handling Equipmen*
*Plant Machinery and Equipment, Hand Tool*
*Power Equipment*
*Transportation Equipment*

# trade and tariff regulations

### Austria

CUSTOMS TARIFF REVISED—The customs tariff of Austria has recently been revised, partly to establish new classifications for some products which were not manufactured in Austria when the present tariff was introduced in 1924.

The items affected are of minor importance in Canadian exports to Austria. For example, cellulose nitrate for manufacturing plastics, varnish, etc., and esters and ethers for the manufacture of penicillin may now be admitted duty-free by permission. On the other hand, the exemption from duty on certain iron sheets and plates for the manufacture of pipes has been revoked. Previous duties on penicillin based on weight have been replaced by a duty of 15 per cent ad valorem, and on bobbins for textile machines and shuttles for weaving by a 12 per cent duty ad valorem—Berne, March 23.

*Information on individual changes may be obtained from the International Trade Relations Branch of the Department.*

### Belgium

VARIOUS GOODS FREED FROM IMPORT LICENCES—Effective March 10, a number of products from all sources have been freed from official import licences required on import into Belgium and Luxembourg.

About a third of these products remain subject to dollar restrictions. The others, however, may be imported from Canada and other dollar countries free from government control on the basis of a simple "declaration in lieu of a licence" issued by a bank.

Among the products which are now admitted freely into Belgium and Luxembourg, the following appear to be of interest to Canadian exporters: automobile parts; electric starting, lighting, signalling and driving apparatus for automobiles; newsprint, wallpaper and various other types of paper; industrial transfers; canned meat soups; preserved fruits; fodder preparations treated with molasses; natural silk stockings; felt hats and hat forms; and silversmiths' wares —Brussels, March 19.

*Copies of the complete list of dollar products affected by this measure may be obtained from the International Trade Relations Branch of the Department.*

FAMILY ALLOWANCE TAX ABOLISHED—Effective March 6, Belgium abolished the Family Allowance Tax—a tax of 7½ per cent on the value of merchandise imported by the State or by local governments. This tax had been levied only on goods of a kind produced in Belgium. Imports from all countries other than the United Kingdom and certain European countries were subject to this tax.

The legality of this tax had been questioned at recent Sessions of the Contracting Parties to the General Agreement on Tariffs and Trade. Belgium had undertaken at those Sessions to take early steps to remove the tax—Brussels, March 26.

### Costa Rica

NEW TARIFF—A new tariff promulgated by Costa Rica is effective April 1, 1954. Under this legislation the entire tariff structure, including the nomenclature, has been changed on the advice of the Costa Rican Tariff Commission created in 1952.

The new rates are generally higher than those of the 1951 tariff, with substantially increased duties provided for semi-luxury and luxury imports. According to the Costa Rican authorities, the objectives of this revision are to provide increased government revenue needed for its economic development program, to facilitate the import of goods of popular consumption while discouraging the import of semi-luxuries and luxuries, and to encourage the import of capital goods.

Provision is made for the application of former rates of duties on all goods in transit before April 1.

Complete details of the new tariff are available from the International Trade Relations Branch.

### Greece

BANKS AUTHORIZED TO ACCEPT DEPOSITS IN FOREIGN CURRENCY—Under a recent law on "Investment and Protection of Foreign Capital", four main commercial banks in Greece have now been authorized by Cabinet decision to accept deposits in foreign exchange, with effect from March 1, 1954. Such deposits may be made by natural persons of foreign or Greek nationality residing permanently abroad or by legal entities with registered offices abroad. The equivalent of $10,000 is set as the minimum amount of deposit. The currencies authorized for this purpose are the United States dollar, the Canadian dollar and the Swiss franc, and also the pound sterling. The rate of interest may not exceed 8 per cent per annum and the term of the deposit is not to be less than six months. At the request of the beneficiary, the amount of foreign currency originally deposited, plus accrued interest, shall be freely transferable abroad upon expiration of the term of the deposit—Athens, March 19.

### Ireland

PLANT RESTRICTIONS—The Department of Agriculture, Dublin, has warned importers who propose importing plants into the Republic of Ireland that a licence should be obtained in advance from the Department of Agriculture, and that the conditions attaching to such licence must be complied with strictly. Plants imported without being licensed will be destroyed or returned to the sender.

For the purpose of this notice, "plants" includes trees and shrubs, raw vegetables (including potatoes, potato haulms and leaves), tomatoes, grapes, cider apples, cut flowers, tubers, bulbs, rhizomes, corms, roots, layers, cuttings and other parts of trees, shrubs and plants.

(Imports from dollar countries require, in addition, an exchange permit.)

### St. Lucia, Antigua

IMPORT LICENCES—The Control authorities in St. Lucia and Antigua announced in February that importers in those colonies are not required to obtain licences to import the following items:

Onions
Potatoes
Split peas
Dried, smoked, pickled and salted fish
Canned fish
Meat
Powdered and canned milk
Cheese
Animal feedingstuffs
Newsprint
Kraft paper.

### Union of South Africa

IMPORT RESTRICTIONS RELAXED—The Minister of Economic Affairs of the Union of South Africa has announced a relaxation of South African import restrictions as follows:

(*a*) An automatic increase of 50 per cent in value of the letters of authority to import agric tural implements, equipment, machinery and sp parts; agricultural tools; raw materials; consuma stores, and maintenance spares.

(*b*) Applications further to this automatic incre for additional allocations for raw materials, co sumable stores and maintenance spares will be co sidered on their merits.

(*c*) Additional quotas will be granted to imp machinery.

(*d*) An increase in quotas to import consumer goo The quota to importers previously announced v 25 per cent of their 1948 imports; this is to increased to 40 per cent, a rise of 15 per cent.

Because South Africa has removed discriminat against dollar goods, an importer may now use entire quota to purchase such goods.

### United Kingdom

PRIVATE IMPORTS OF OILS AND FATS—Fr June 1, 1954, imports of all oilseeds and vegeta oils will be resumed by private traders, in some ca after 15 years of government imports. Sunflow and rape seed and oils, together with soya beans a oil, amongst others on the list, will be admitted i the U.K. under open individual licences from a source and with no restrictions on use. Margari compound cooking fats, premier jus and oleo st will also be imported under the same arrangeme with no restrictions on the use of the latter. Impo ters must make a monthly report of imports un such licences, which will be valid until 31st Dece ber 1954.

The derationing of cheese, butter, margarine a cooking fats is due to take place on May 8, 1954, a preparatory to this the consumer subsidies on th products have been removed.—London, March 24.

## trade commissioners on tour

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date conditions here and to renew their contacts with businessmen. Details of their itineraries appear under t heading, as a service to exporters and importers who wish to discuss trading problems with them.

M. R. M. DALE, Commercial Secretary in Santiago, Chile, began his Canadian tour in Windsor on March 30; his itinerary follows. On completion of his tour, Mr. Dale will be posted to Cairo, Egypt.

Montreal: April 19-May 1
Quebec: May 3 and 4
Ottawa: May 5-7

Businessmen may get in touch with Mr. Dale throu the Board of Trade in Montreal and Quebec Ci and at the Department of Trade and Commerce Ottawa.

CHICAGO PUBLIC LIBRARY

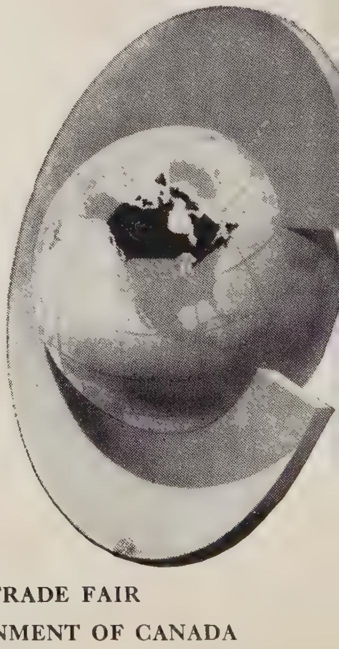
# going places . .

# going

to the

# trade

# fair*



TORONTO
MAY 31-
JUNE 11

*THE CANADIAN INTERNATIONAL TRADE FAIR
IS OPERATED BY THE GOVERNMENT OF CANADA
TO PROMOTE YOUR BUSINESS

May 1, 1954

# foreign trade

BRITAIN'S FOREIGN TRADE in 1953

2 Britain's Foreign Trade in 1953
3 British Trade: the Export Picture
6 British Trade: the Import Picture
8 The Story of Sterling Rubber
10 General Notes
12 South American Markets for Canadian Seed Potatoes
15 Forward Steps in the Sterling Area
16 "Infrastructure" and Canadian Industry
18 Tin Agreement Studied
19 Promoting Canada at the B.I.F.
21 Commodity Notes
23 Britain Frees Oils and Fats
25 South Africa and Import Controls
26 Trade and Tariff Regulations
28 Cuba and Its Steel Imports
29 Foreign Trade Service Abroad
34 Foreign Exchange Rates
36 Businessman's Bookshelf

CANADA

# foreign trade

Established in 1904

Published fortnightly by the Department of Trade and Commerce.
The Right Honourable C. D. HOWE, Minister,
WM. FREDERICK BULL, Deputy Minister.

**OTTAWA, MAY 1, 1954, Vol. 101, No. 7**

Please forward all subscriptions and orders to:
The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad.
Single copies: 20 cents each.

Material appearing in this magazine may be freely reprinted, preferably giving credit to "Foreign Trade"

**cover** These wheel rims being polished and plated will become part of British-made bicycles to be shipped overseas. Last year Britain sold about 400 thousand bicycles to the U.S. and 60 thousand to Canada—a 100 per cent jump over 1952. For a complete analysis of United Kingdom trade during 1953, see pages two to eight.

Photo by U.K. Information Office.

# Britain's Foreign Trade in 1953

*Last quarter of 1953 saw the highest volume of exports since the war; trade deficit was reduced and a surplus in balance of payments achieved for second successive year.*

R. CAMPBELL SMITH, *Commercial Secretary, London*

THE UNITED KINGDOM, which customarily accounts for about 12 per cent of the world's imports and exports, has in the past three years nearly recovered its prewar position in exports but not in imports. Exports to Canada, the United States, and (to a lesser extent) the sterling area, have risen considerably but in imports the British share is down from 19 per cent. Sixteen per cent of Canada's exports in 1953 went to the United Kingdom, compared with 40 per cent in prewar years, but this still represents 40 per cent of total Canadian export trade, excluding trade with the United States. The importance of this market to Canadians remains undiminished in terms of both current and potential trade.

### Exports Remain Steady

Since 1950, the annual value of British exports has remained steady. In the last quarter of 1953, the United Kingdom achieved the highest *volume* of exports since the war, having recovered during the first half of the year from a 20 per cent decline in the summer of 1952. In *value,* the last quarter's results were only 5 per cent below the best postwar quarter, January to March 1952.

These results had special significance for the balance of payments, because they included an increase of 14 per cent in dollar exports over 1952. Dollar sales for the year totalled £386 million, the first time they have ever exceeded the one-billion-dollar mark. Exports to Canada and the United States totalled £316 million, 14 per cent higher than for the best previous year, 1952.

**United Kingdom Exports to North America**
(in millions of pounds)

| | *United States* | *Canada* | *Total* |
|---|---|---|---|
| 1950 | 113 | 126 | 239 |
| 1951 | 136 | 137 | 273 |
| 1952 | 146 | 130 | 276 |
| 1953 | 159 | 157 | 316 |

Invisible earnings are the shock troops that have for over a century come in to fill the breach between Britain's exports and imports. Mid-year results show that they performed well. At that point, invisibles exceeded the deficit on visibles account (£140 million) by £26 million, even in the face of net debits on government defence account of £77 million. These earnings—from shipping, civil aviation, interest, profits, dividends, insurance, tourists, oil and government transactions—have, except for the last two items, been growing steadily since the war, in spite of the wartime liquidation of £1,900 million worth of investments and the accumulation of some £3,000 million in external liabilities. Outgoing payments have watered down these gains; interest on the U.S. and Canadian loans began in 1950; military expenditures abroad have risen since Korea. Oil income fell after the loss of Abadan in 1951.

Except for government expenditures, invisible earnings for the second half of 1953 are expected to be maintained. The import-export gap was narrowed by £96 million during the first half of 1953, providing an extra margin of safety for the overall balance of payments.

Gold and dollar reserves in December stood at $2,518 million, compared with $1,846 at the beginning of the year—the highest since November 1951. Over half the disastrous losses in reserves incurred between September 1951 and April 1952 has now been recouped.

### Terms of Trade

The terms of trade (the ratio of import prices to export prices) have turned sharply in Britain's favour in the last six months, contributing to the reduction of the trade deficits: 1951—£1,197 million; 1952—£753 million; 1953—£658 million (net £623 million, allowing for £35 million gift aircraft shipments from Canada). Non-sterling trade accounted for the biggest share of the reduction since 1951 (£705 million); sterling area trade deficits have risen. The former comprises 64 per cent and the latter 36 per cent of the total deficit for 1953.

Dollar imports dropped in value by 12 per cent compared with 1952, reflecting smaller imports of lumber, cotton, and manufactured goods. Tobacco, food and drink imports increased. The trade deficit with dollar countries was £231 million, a striking improvement over 1952's £344 million and 1951's £427 million. Trade with OEEC countries approached balance and this, plus the reduction of the dollar gap, more than offset increased deficits with the sterling area and other non-sterling countries (including eastern Europe and Asiatic countries).

### Short-Term Outlook

On the whole, British foreign trade showed some improvement in the year, mainly in the fourth quarter. The trade deficit was reduced and a surplus in the balance of payments achieved for the second consecutive year. Although progress towards equilibrium has not resulted from an overall increase in the value of exports, it is encouraging to note the recent rise in British exports to North America; British authorities are hopeful that this trend will continue. Further relaxation of Australian restrictions announced in December 1953 will mean increased exports, because this is the largest market in the sterling area for United Kingdom goods. Any increase in U.K. exports will depend to a considerable extent on Britain's ability to maintain or improve its competitive position and devote a larger share of industrial production to exporting industries.

The strength of the domestic economy is an important factor and indicators of industrial activity provide some clues to this. Crude steel output is at an all-time high; industrial demand for coal is up; motor vehicle production has increased. Production of certain types of industrial plant and equipment—machine tools, boilers, furnaces, conveyors, elevators—was at a satisfactory level late in the year although production of valves and work trucks lagged. The value of factory buildings under construction reached a two-year high but is still below 1951. Spinning and textile plants are active. Production of sulphuric acid, an indicator for chemical industries, was well up. Most of the rise in general production is attributed to an increase in domestic rather than in export demand.

Industrial activity is closely approaching the 1951 or pre-crisis level. Business leaders for the most part show confidence, except about the U.S. position. The broad relaxation of controls is an incentive to greater enterprise and 1954 should hold promise of a higher level of trade for the United Kingdom.

# British Trade: the Export Picture

*Gradual easing of import controls in certain traditional markets pushed up exports in '53 and dollar sales rose. But the improvement varied with the product.*

R. CAMPBELL SMITH, *Commercial Secretary, London*

AN ANALYSIS of the export trade figures over the last three years reveals that prices and volume tell a different story. For example, a falling-off of four points in average prices last year was offset by a rise of 3 per cent in volume. The volume index of 98·1 in 1953—which was still some distance short of volume exports in 1951 at 101·2—was made possible by a spurt in the final quarter which nearly equalled the peak postwar quarter of January-March, 1952. None the less, the country's achievements in exports, when measured against rising domestic production and the Government's performance targets, have been somewhat disappointing.

**United Kingdom Exports**

| | | *Index Numbers* | |
|---|---|---|---|
| | *Value* (millions of £) | *Average Value* | *Volume* |
| 1951 | 2,614·0 | 117·3 | 101·2 |
| 1952 | 2,584·2 | 123·5 | 95·0 |
| 1953 | 2,582·0 | 119·6 | 98·1 |

Some of the U.K.'s leading markets: e.g., Australia, New Zealand and Pakistan, imposed severe import restrictions in 1952 which hit exports of British goods such as cars, hardware, textiles, clothing, pottery, glass and paper. As a result, shipments to the sterling area dropped by almost one-fifth between the first and second halves of 1952. Non-sterling markets, particularly South America, Egypt and Finland, were similarly affected.

The gradual easing of import controls in some of these countries was reflected in the improvement in British exports during 1953.

### Manufactured Goods Lead

Over 85 per cent of Britain's export trade consists of materials and equipment mainly or wholly manufactured. Volume last year rose 2½ per cent compared with 1952 but was 5 per cent below 1951, showing a slower rate of recovery than the two other groups—food, drink and tobacco, and raw materials.

## U.K. Exports of Manufactured Goods

Index numbers of volume (1950=100)

| Period | *Metals and engineering products* A | *Textiles* B | *Other manufactured goods* C | *Total manufactured goods* |
|---|---|---|---|---|
| 1951 | 99·2 | 99·2 | 114·5 | 102·4 |
| 1952 | 97·9 | 76·2 | 105·8 | 94·7 |
| 1953 | 95·6 | 83·9 | 114·8 | 97·0 |

The fall in exports of metals and engineering products (Column A) was made up of a 10 per cent decline in machinery, a 3 per cent decline in electrical goods and apparatus, and a 5 per cent decline in cutlery, hardware and implements. The volume of vehicle exports was unchanged; non-ferrous and iron and steel manufactures were up 15 per cent and 2½ per cent respectively. This group as a whole comprised 59 per cent of the manufactured exports last year.

Textiles (Column B) comprised 17 per cent of the volume of all manufactured exports and they rose by 10 per cent compared with 1952, mainly in woollens (14 per cent) and silk and artificial silk (22 per cent).

The other manufactured goods (Column C) rose to the 1951 level, thanks to a 40 per cent increase in refined petroleum shipments.

### Raw Materials

The two remaining major classifications—food, drink and tobacco, and raw materials—jointly comprised 12 per cent of export volume. The former nearly reached the 1951 level, and the raw materials volume index (1950=100) jumped to 93·6, compared with 81·9 for 1952 and 66·3 for 1951.

Raw rubber re-exports dropped from the exceptionally high levels of 1951 and 1952, bringing all re-exports down to £105 million, compared with £127 million and £144 million in '51 and '52.

### Engineering Exports Rise

The engineering industry provided 22 per cent of all exports in 1952 and 1953. Engineering exports to Canada and the U.S. increased by 20 per cent in each of the last three years, reaching £92 million in 1953. Canada took the lion's share, £55 million (£43 million in 1952); the United States took £36 million (£32 million).

Cars, valued at £11 million (29,000 units), accounted for most of the increase in Canadian imports—(1952: £8 million and 22,000 units). Machinery at £19 million and electrical equipment at £4 million were up. Sales of iron and steel manufactures to both countries were high: Canada £13 million and the United States, £7 million.

A relatively small but nevertheless interesting item was the 100 per cent jump in British bicycle exports to both markets—60,000 units to Canada and 400 thousand to the United States.

Since 1950, Britain's aircraft industry has become a major contributor to engineering products exports. Aircraft and parts shipments in 1953 came to £65 million, or £20 million more than in 1952 and double the 1950 figure.

### Ships, Cars, Machinery

Deliveries of ships and boats overseas totalled £39½ million, an improvement over the previous year but 25 per cent below 1951. Shipyard order books have thinned down appreciably and it is doubtful whether the decline in building activity has been only temporarily halted.

Passenger car shipments fell off again last year:

| | | |
|---|---|---|
| 1951 | 369,000 units | £119 million |
| 1952 | 310,000 " | £111 " |
| 1953 | 302,000 " | £104 " |

Commercial vehicles lost the ground gained in 1951 and 1952. Agricultural tractors also lost ground at £37 million last year. Motor vehicle spare parts maintained a good level at £39 million.

Machinery sales, at £405 million, were above 1950 and 1951 levels but 4 per cent below 1952. The drop was felt in Australia, New Zealand and India, in other parts of the sterling area, and in Brazil, Turkey, Egypt and the Argentine. Exports to the U.S. and Canada were higher, as we have already noted, as were exports to the Netherlands, France, South Africa and the Middle East. Excavating and earthmoving machinery deliveries doubled over 1950. Machine tool shipments were above 1952, as were business machines exports to the U.S. which have multiplied tenfold since 1950. On the other hand, there was an offsetting drop in agricultural, electrical and textile machinery. Exports of electrical goods and apparatus were 5 per cent below 1952.

### In the Textile Field

Textile and clothing exports in 1953, though 10 per cent greater in volume than in 1952, were only up slightly in total value at £383 million. At this level they were still 29 per cent under the figure for 1951. The United Kingdom has suffered the most by the world-wide slump in textiles but all exporting countries were hit except Germany. The easing of import controls resulted in an 11 per cent increase in sales in the second half of the year, mainly to South Africa, Australia and India. United States deliveries also rose.

Textile exports to North America came to £66 million (£56 million in 1952). Canada took £36 million (£27 million in '52), with the increase mainly in wool goods, up £7 million to £24 million, and in cottons, which rose by £1 million. Cotton goods in general were still affected by import restrictions abroad and were down to £133 million from £148 million. Wool goods, on the other hand, were up 13 per cent at £140 million, through increased exports to South Africa, India, Australia and Eire. Shipments of wool tops rose from £25 million in 1952 to £37 million last year, almost to the 1951 level, when wool prices were at their peak. Deliveries to Canada, India, Sweden and China increased.

### Other Classifications

The pottery, glass and abrasives group declined further in 1953. Asbestos products were 7 per cent above 1951 because the figures for 1952 were swollen by high prices. Cement was similarly affected by prices and shipments last year were just above 1951.

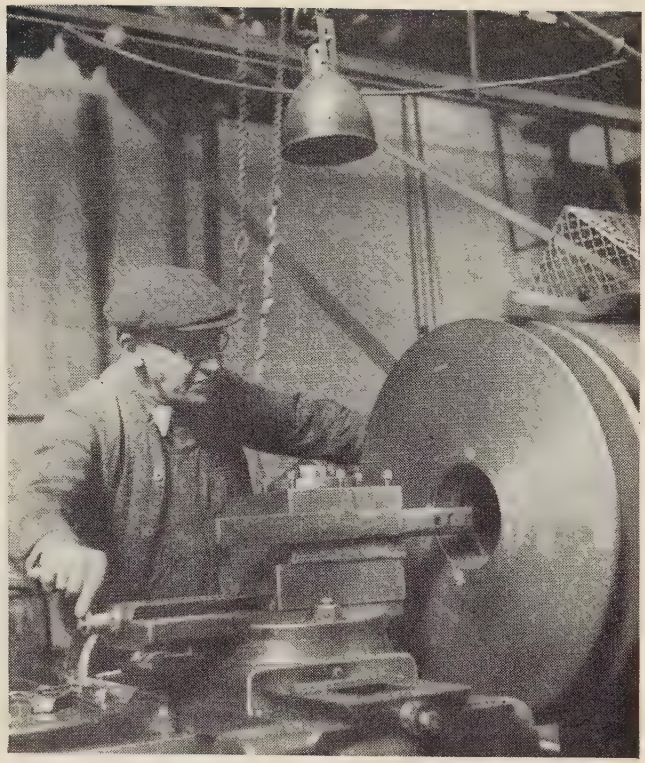
Exports in the chemicals group during the last two years remained below 1951 at £130 million. Sterling area and U.S. sales were primarily responsible for this, though European and Canadian deliveries rose. Plastic materials shipments were high at £16 million and compared favourably with £9 million in 1950.

### Food and Raw Materials

Price changes resulted in a drop in refined sugar exports from £34 million in 1952 to £27 million in 1953. The unusually heavy shipments of barley in 1952 (114 thousand tons) were not repeated last year. Manufactured tobacco dropped 13 per cent in volume but higher prices kept earnings the same as in 1952. Vegetable oil deliveries jumped from 4,000 tons to 39,000 tons last year, though in value they increased £1 million to £4 million.

### Future of Engineering Exports

A buoyant domestic market has taken the sting out of some of the losses sustained by certain industries in overseas markets. This is particularly true of consumer goods. But it had little bearing on capital equipment, because home investment has not expanded appreciably. Certain sectors of the engineering industry have a healthy export business but many others, whose prices and deliveries have improved, are receiving fewer new orders. A levelling-off in consumer demand abroad has curtailed industrial plant expansion which, in turn, has reduced machinery and equipment purchases. Lower exports of textile machinery and internal combustion engines are undoubtedly a consequence of this trend. In addition, British sales of engineering equipment have been lost to German manufacturers—notably in India, the Middle East and South America. In 1953, some important branches of British industry were still handicapped by shortages of materials.



*British heavy industry relies on the skill of workers like James Buchanan, 66-year-old turner, as well as on machinery. In 1953, as in 1952, the engineering industry provided 22 per cent of all United Kingdom exports.*

### Removal of Controls May Assist

Britain's export industry as a whole has shown vigour in developing new or difficult markets, the latest being the U.S.S.R. The results of the final quarter last year, which came close to the postwar peak, appear encouraging. More spectacular results are necessary, nevertheless, to improve the U.K.'s balance of payments position and re-accelerate the growth of her gold and dollar reserves.

The Government's policy of rapid elimination of controls over imported raw materials will, it is hoped, assist British industry to improve its competitive position abroad. The effect of recent demands for higher wages in industry, however, has still to be assessed. It will be interesting to see how trade shapes up in the months ahead. ●

# British Trade: the Import Picture

*Spending on imports went down by about five per cent in 1953; lower cost of imported raw materials aided British industry. Removal of some import controls late last year had a limited effect.*

R. CAMPBELL SMITH, *Commercial Secretary, London.*

DURING 1953, the United Kingdom spent about 5 per cent less on imports than in 1952, and 8 per cent less than in 1951, a record-smashing year. The Import Price Index (average 1952=100) dropped steadily during the year to 85, and the volume of incoming supplies fell only slightly below 1951. The principal changes in imports occurred in the following groups:

| | | 1952 | 1953 | % |
|---|---|---|---|---|
| | | £000,000 | | |
| | *Decreases:* | | | |
| Food | Grains and flour | 262 | 239 | 9 |
| Raw Materials | Non-ferrous ores and scrap | 93 | 65 | 25 |
| | Raw cotton and waste | 128 | 107 | 15 |
| | Oil seeds and nuts | 405 | 350 | 14 |
| | Paper-making materials | 111 | 73 | 33 |
| | Rubber | 103 | 56 | 54 |
| Manufactures | Steel and iron and manufactures | 125 | 64 | 47 |
| | Non-ferrous metals and manufactures | 206 | 168 | 18 |
| | Machinery and parts | 109 | 93 | 16 |
| | Textiles and clothing | 89 | 56 | 60 |
| | *Increases:* | | | |
| Food | Feedstuffs | 21 | 41 | 95 |
| | Meat | 221 | 263 | 19 |
| | Dairy produce | 146 | 170 | 16 |
| | Unrefined sugar | 90 | 117 | 29 |
| | Tobacco | 52 | 78 | 50 |
| Raw Materials | Iron ores and scrap | 75 | 82 | 9 |
| | Raw wool, waste, rags | 177 | 239 | 35 |
| | Hides and skins (undressed) | 41 | 50 | 23 |
| Manufactures | Leather and manufactures | 13 | 20 | 54 |

### Analyzing the Increases

Wheat arrivals in 1953 remained steady at about four million tons but barley arrivals were up 30 per cent, including heavy deliveries from Canada. Canadian flour and wheat bran shipments declined to the 1951 level. Imports of edible oilseed cake and meal doubled and meat, butter, cheese, shell egg and fruit imports rose. The largest increase under the food heading was unrefined sugar, which jumped by 50 per cent to approximately three million tons (£116·9 million) as a result of larger Cuban, B.W.I. and Australian shipments. American tobacco imports (174 million pounds) boosted this year's arrivals by 41 per cent.

The raw materials group showed a greater drop in average import price in 1953 than either food or manufactured goods. The volume of imports is estimated as a tenth more than in 1952 and above 1951, a post-war high.

Iron ore imports were up 15 per cent; so were scrap iron and steel. Softwood lumber rose nearly 50 per cent to 1,453 standards and hardwood by 22 per cent, to 44 million cubic feet. These two items, valued at £140 million, represent over 10 per cent of raw material imports. Canada obtained 20 per cent of this trade (£28 million) compared with 36 per cent in 1952 (£59·5 million). The U.S. had 4½ per cent and 10 per cent respectively. Sweden exceeded her 1951 sales by 13 per cent; Russia recovered hers, but Finland's sales to the U.K. declined by 27 per cent. Declining prices accounted in part for the increased imports o lumber. Wood pulp has fluctuated in price but imports have altered little in four years, either in sources o quantity. Pitprop arrivals fell 45 per cent.

Raw cotton imports went up 25 per cent in volume bu were still only half of the 1951-52 norm. Britain came into the wool market in the first half of 1953, buying 63 per cent more than in the second half of 1952. The year's purchases of 828 million pounds were 23 pe

*Most of the raw wool used by British textile mills in 1953 came from Australia and the Argentine; purchases totalled 828 million pounds, 23 per cent above those for 1952, and prices paid were also up. Majority of the wool buying was in the first half of the year.*

cent above those in 1952 and at considerably higher prices. Australia and the Argentine secured most of this business. Imports of cheaper artificial silk waste went up five times.

Incoming crude oil shipments were three times the 1950 level and 10 per cent above 1952, at declining prices. Britain bought 22 per cent less rubber (258 thousand tons) as a result of the decline in re-export trade and the value of rubber imports dropped by 46 per cent.

These details illustrate the extent to which British industry profited from reductions in the cost of raw materials. The effect of world prices on Britain's exports is discussed on page 2.

### Manufactured Imports Fall

Including the Canadian gift of £35 million in aircraft, the value of manufactured goods imported reached almost £2 billion last year, 15 per cent below the figure for 1952.

The principal changes are given in the table on page 6. Iron and steel manufactures, at lower prices, dropped 30 per cent in volume. Non-ferrous metals (mainly zinc, aluminum and lead) declined in value by 18 per cent. Arrivals of zinc fell 43 per cent, aluminum 24 per cent, copper 12 per cent, but lead tonnage was up 20 per cent.

The textile group showed a drop of 60 per cent, mainly in cotton piece goods, largely because of reductions in price and in defence requirements. Wool goods came back somewhat but were only two-fifths the volume of 1951. Artificial silk and linen were in much the same case.

Modified defence requirements cut back machine tool imports and, as a consequence, the machinery group fell £16 million in value from the abnormally high figure of £109 million in 1952. Paper and paperboard declined in volume and newsprint declined by 11 per cent, to 254 thousand tons. Plywood shipments were down 45 per cent.

### Domestic Production Up

High domestic production accounted for the rise in imports during the last six months. The production index during the first nine months reached 118 (monthly averages: 1948=100) compared with 113 in 1952 and 117 in 1951. Rising textile production (nearly at the high 1951 level) meant increased wool purchases; the expanded steel industry required more iron and manganese ores and increased building activity attracted more lumber.

In comparing last year's imports with 1952, we must remember that the full weight of government restrictions imposed after the 1951 crisis was not felt until the spring of 1952. Imports that year were somewhat higher than the import controls have since permitted. A number of controls were removed last year (see *Foreign Trade,* November 7, 1953) but they had a limited effect on imports, which rose only 5 per cent between the first and second half of the year.

It may be that controls over raw and intermediate materials will be relaxed further during 1954 and imports of these commodities will rise. But prospects for larger purchases of manufactured goods, especially from dollar countries, seem slight. ●

# The Story of Sterling Rubber

H. LESLIE BROWN, *Director, Information Branch*

EXPORT MARKETS are an extension of the domestic market. If all the wheat and metals and paper which Canada produces could be used within our boundaries, there would be no purpose in seeking export outlets. Many a small industry feels that it has enough scope in Canada and therefore takes no interest in export.

Nevertheless, there are many other factories of moderate size which find good value in sales abroad. They have proved by their own experience that export gives them sales which take up seasonal or other slack. They find too that when production can be expanded beyond normal sales in Canada, unit costs fall. This means that their domestic prices can be lowered and sales at home thus improved. For these manufacturers, export is an essential part of their normal business.

From the time I first went abroad as a Trade Commissioner in 1931, I have found much to interest me in the export story of the Sterling Rubber Company of Guelph. I believe that other small firms can profit in a study of Sterling's export experiences.

## Export from the Beginning

The Sterling Rubber Company began business in 1912 with four employees. From that day to this it has manufactured rubber gloves and balloons. Though it produces such a limited range of goods, as early as 1914 it experimented with export. Mr. J. W. Amos, the Sales Manager, states quite simply: "It was the encouragement of sales in the export market in the years 1914 until the outbreak of war in 1939 that built up our volume." Sales, at home and abroad, meant that the number of employees grew to 30 in 1918, to 100 in 1930 and, despite the depression years, to 135 in 1939.

*Speaking to the Canadian Exporters' Association on February 5, President S. A. McKay-Smith remarked: "The Canadian economy alone cannot support the industries of Canada and therefore it is of vital importance that we not only maintain, but increase, our export trade . . . This is not a matter that can be solved by our Government alone, but requires the initiative, imagination and courage of not only export managers, but also . . . top management of individual Canadian companies." To encourage would-be exporters, "Foreign Trade" is presenting here the first of a series of reports on the export experience of several Canadian manufacturers. These case histories are drawn from small or moderate-sized companies, which do not possess the financial resources to withstand heavy losses and therefore must sell to advantage or suffer the consequences. We believe that these articles will repay study as examples of Canadian industry at work in the export market.*

The United Kingdom was the company's first export market. Through the Canadian Trade Commissioner in London an agent was appointed and the first export sale was completed. The export business was steadily built up and extended until, at its peak before the war, the Sterling Rubber Company was exporting 80 per cent of its volume to 50 different countries.

## Trade Commissioners Assist

Through close co-operation with Canadian Trade Commissioners in those countries, by using their on-the-ground experience, sales representatives have always been carefully chosen. The results over the years have been so satisfactory that, in some cases, the agency has been handed down from father to son.

Although Mr. Amos has never been abroad, it is obvious that he has followed foreign affairs with keen interest. He has met some of the agents when they have visited Canada and he knows them all by correspondence. He spoke of what an interesting book could be written about the adventures of their agent in Spain during the civil war, about those of Mr. Audit in Lodz during the German invasion, of Meinhartt in Norway, and of the dreadful experiences of agents in Malaya, Hong Kong and Japan. Through his export sales, Mr. Amos is in touch with the world.

Asked for additional details on selling abroad, he outlined the basic procedure his firm follows: "Samples are always a great help. Naturally the agent is encouraged by receiving as large a commission as possible. So far as credit terms are concerned, we always ask the agent for his ideas because he knows the practice in that particular country."

There are some markets which do not change their ideas of the goods they want. To do business, they have to be-supplied with what they want. "We recently had this experience in a South American country where they insist on a black glove. It is necessary, if one wants to do business in a special market, to supply just what the buyer has been accustomed to using over the years".

### Export Today

But what of today, a time of restrictions and dollar shortages? The reply was direct—"In spite of lack of dollars and import restrictions, we still export regularly to sixteen different countries; recent orders include one for 36,000 pairs of gloves from one customer and for 115 thousand from another." True, the proportion of business in export has declined because of trading difficulties. But it has also declined proportionately because there has been a good increase in the domestic market. Nevertheless, there is the "cushion" of export to a number of markets which keeps production at economic levels. Even today 20 per cent of sales go to foreign markets and that is business well worth care and cultivation.

### Past Problems

About 1932, when Sterling realized that the volume of sales in the domestic market would be seriously curtailed, the company decided to seek connections and outlets in foreign markets where they were not already established. Accordingly they got in touch with the Trade Commissioners in all the countries that might be interested in their products and particularly in surgeons' gloves.

A general survey of the various territories was made, including the approximate volume that might be expected and the prices they would have to meet. "That was all very helpful but it would have been of little use to us without the proper representatives, whom we consider to be the important factor in any transaction. Here again, the Trade Commissioners did a wonderful job for us. Some of those chosen still consider themselves to be our agents and are only awaiting the time when 'a thing called money' will no longer be a barrier and business can be resumed on a normal basis."

In some cases, the original representative chosen to handle the line proved inadequate and had to be replaced. "However, the initiative did not come from us but from the Trade Commissioner, who kept these men under observation and if they were not doing as well as he thought they should, there was no hesitation in recommending another agent. In all cases the change was for the better and, as a result, by 1939 our export shipments developed into a very substantial part of our production."

The company has consistently produced by the dipping process and has concentrated on better-grade seamless gloves for hospitals and surgeons, industry and the home. In the early years it used only rubber but has kept pace with new developments by also using synthetic rubber or neoprene.

### Quality of Product

The making of first-grade rubber gloves for surgeons has meant close inspection. Quality has always been stressed. This maintenance of standards has had two interesting results. Over the years Sterling rubber gloves have become well known for high quality to the point where some overseas governments, when issuing tenders for gloves, even mark the tenders to call for "equal to Sterling quality".

To maintain high standards of quality, some gloves are rejected because of small defects which do not reduce the usefulness of the product. These substandard gloves have always found a ready market in countries where price is the first consideration.

### The Future

Certainly conditions today are not as good as before the war, in the sense that a number of markets are temporarily limited or even closed. That does not mean that export is gone. Even in the best years, there were fluctuations. At times this or that country was having its troubles and sales fell off. But that happens here in Canada.

"We shall always maintain and even improve our quality," Mr. Amos said to me in parting, "because our business is quality production. So far as exports are concerned, we shall continue to be highly interested and press for all we can get, because it helps when business slows down in Canada and because it gives us more production to help keep down our unit cost."

## Exhibit from Indonesia

*Among the new exhibitors at the Canadian International Trade Fair in Toronto, May 31-June 11, will be Indonesia. The Indonesian exhibit, in the Institutional and Prestige Section, will include many of the products which Canada buys from that country—indispensables like pepper, spices, black tea, tapioca, nutmegs, rubber, and tobacco. Certain to draw the visitors' attention will be the display of Indonesian handicrafts and artwork and the famous batiks, hand-painted and printed. Last year, Canada's imports from Indonesia totalled about $598 thousand with rubber in the lead, followed by tea and cigar leaf. Canadian exports to Indonesia reached nearly $2 million, with trucks and cars bulking large.*

# General notes

## Australia

TRADE TALKS WITH JAPAN—During the coming trade talks with Australia, the Japanese Government is expected to ask for a substantial improvement in the present balance of trade with that country. Japan's exports to Australia are almost negligible because of the Australian restrictions against Japanese goods. For the period January-November 1953, they were valued at £3,325,000, compared with £71,875,000 for imports from Australia—Sydney, April 5.

SEARCH FOR OIL—An American oil company will start drilling for oil at Maryborough, Queensland, about 300 miles north of Brisbane. This company has a 5,700-square-mile concession along the Mary River, where the geological structure is similar to the Los Angeles oilfields basin. Drilling will take place on land first, because of the high cost of drilling under water. If this proves successful, drilling will also be undertaken off the coast—Sydney, April 10.

## Chile

ALUMINUM PLANT—A new plant for the manufacture of aluminum was opened at the end of March under the direction of the largest national copper enterprise in Chile. It is reported that the plant will be able to supply home requirements which, at the moment, are about 2,200 tons a year. Aluminum paper and all kinds of sheets for construction and other purposes will be produced. This new industry, which uses U.S. machinery, will mean an annual foreign exchange saving of approximately US$2 million—Santiago, April 2.

AGRICULTURAL MACHINERY AND EQUIPMENT—The vice-president of the Chilean Development Corporation has notified the Minister of Agriculture that the Corporation proposes to make a survey in the agricultural areas of the country where new agricultural machinery and equipment are urgently required. Imports will be effected through firms established in Italy, Germany, Canada, Britain and the United States. The orders will also include machinery and parts for the new beet-root factory in the south. Distribution will be made through the Chilean Development Corporation—Santiago, March 16.

## Denmark

FISH PLANT FOR THE FAROES—It is reported that, with the help of Danish Government funds, a fish refrigeration and salting plant is to be erected at Thorshavn, capital of the Faroe Isles. This will be the first plant of its kind in the Islands and will have modern equipment. The total cost is estimated at D.Kr.700 thousand—Oslo, April 12.

## Egypt

OIL EXPLORATION—An agreement has recently been signed in Cairo between the Egyptian Government and a New York petroleum company, granting the company exclusive oil exploration and development rights in the Western Desert for the next thirty years. The agreement covers an area of 185 thousand square kilometres. The company has agreed to spend a minimum of $8 million on exploration within the first six years. This is the first major foreign investment in Egypt in some time and the announcement was greeted with enthusiasm in business quarters—Cairo, April 2.

## Greece

CANADIAN AID—The second cargo dispatched by the Canadian Government Earthquake Aid Program to the population of the Ionian Islands arrived at the Port of Piraeus on March 9th. It consisted of 702,528 lb. of corrugated aluminum roofing sheets and was part of an aid-in-kind grant totalling half a million dollars. The Canadian Ambassador and the Commercial Secretary joined Greek Government officials in a simple ceremony aboard the ship when the cargo was turned over to the Minister of Restoration, representing the Greek Government. The Minister in his address expressed the gratitude of the Greeks for Canada's repeated aid whenever Greece was in distress—Athens, March 16.

## Indonesia

OVERSEAS BUYING COMMISSIONS ABOLISHED—By order of the Minister of Economic Affairs dated February 19th, all facilities regarding overseas buying commissions have been rescinded. Effective that date, commissions may no longer be calculated on overseas purchases. The former regulations allowed a certain commission in foreign currency on imports from abroad. This meant that, with an annual import of Rp. 6 milliard and an average commission of 2 per cent, a total of Rp. 120 million would have to be paid out in such commissions. These commissions have been abolished because of Indonesia's foreign exchange position and the fact that the import market has become more and more a buyers' market. Measures will be considered for granting facilities to national importers—by means of L.A.A.P.L.N. regulations—to obtain necessary foreign exchange for agencies abroad—Djakarta, March 18.

FLOUR IMPORTS—According to circular No. 7 issued by the Indonesian Central Import Office, all imports of flour must be carried out on the basis of the International Wheat Agreement (IWA) as from February 11th. Indonesia's IWA quota is equivalent to 135 thousand short tons of flour for 1954. Indonesia has planned to import as much as last year—150 thousand short tons—a difference of 15,000 short tons. According to available information, almost all of the 15,000 short tons of flour which have to be obtained outside the IWA have already been imported—Djakarta, March 18.

### Jamaica

ADVISER ON STANDARDS—The Secretary of State for the Colonies has recently appointed an Adviser on Standards for Jamaica for a two-year term, to be paid from Colonial Development and Welfare funds. He will assist the Government in the establishment of standards for food products and of an inspectorate to enforce them, advise manufacturers on how to improve their products and achieve desirable standards, and examine the problems of developing new products and setting-up a research service—Kingston, April 5.

### Japan

NEW PROCESS FOR STITCHING NYLON—Japanese technicians have succeeded in sewing nylon by an electric high-frequency process which entirely eliminates seams. Practical application of the technique would make possible seamless nylon shirts which would wash free of wrinkles—Tokyo, April 1.

### New Zealand

BALANCE OF PAYMENTS FAVOURABLE—New Zealand closed the 1953 books with a surplus of £26,169,000, after wiping out the 1952 deficit of £23,411,000. Receipts were £266,318 million and expenditures £240,149 million—Wellington, April 9.

### Rhodesia and Nyasaland Federation

FEDERAL CAPITAL RECOMMENDED—Salisbury has been proposed by the Parliamentary Select Committee as the capital city for the federating Colonies of Nyasaland, Northern Rhodesia and Southern Rhodesia. Sites in Lusaka and Livingstone in Northern Rhodesia and Salisbury in Southern Rhodesia were inspected, and representations from other localities were heard before a recommendation was tabled in favour of Salisbury as the capital for the new Federation—Johannesburg, March 23.

### South Africa

RETAIL TRADE BRISK—Retail trade in South Africa was generally brisk during 1953; indices for January-October show a slight increase over 1952 for four out of five large centres. The only decrease was in Cape Town and it was a negligible one—9·98 to 9·95. Preliminary indications are that final indices for 1953 will show an improvement over the previous year—Cape Town, March 19.

### United Kingdom

GROSS NATIONAL PRODUCT—The United Kingdom Treasury has just released preliminary estimates of the national income in 1953. The gross national product increased by £1,071 million, or about 8 per cent over 1952. It is estimated that about half this increase came from higher prices, so that in real terms there was an increase of about 4 per cent over 1952. The most striking aspect of the figures was the increase in personal savings. Personal savings rose from £285 million in 1951 to £776 million in 1952, and again in 1953 increased to £928 million. The Treasury statement suggests that this shows a significant change in national savings habits and that the rate of saving by individuals in the United Kingdom may now be about the same as in the United States—London, April 2.

### United States

WEATHER DELAYS HOUSING STARTS—Because of an unusually severe January, housing starts in that month went below 1953, and considerably below the last four years' average. Total starts in January of this year were only 66,000 units, compared with 72,100 in January 1953 and an average of about 75,000 over the last four years. Total housing starts in 1953 were below the previous year and also below the previous three years' average—some 1,104,000 units as compared with 1,127,000 in 1952 and 1,205,000 for the previous three years' average—Washington, April 19.

# South American Markets . . .

W. F. HILLHOUSE, *Agricultural Secretary, Buenos Aires*

IF THE WEATHER in the late potato zone (Rosario) remains favourable, especially during the next few weeks of the critical flowering stage, it is possible that Argentina will set a new record this year for total potato production. In any event a considerable increase is expected over last year's output which has been officially estimated at 1·375 million metric tons. The present record was established in 1951 with 1,558,550 tons; the 1945-53 average is 1·6 million tons.

### Bumper Crops Expected

The only official estimate of production available so far is for the early crop which, at 28,970 tons, is 3 per cent higher than the previous year. The semi-early crop has also been harvested and is unofficially estimated as noticeably higher than last year's 258 thousand tons. Harvest of the semi-late crop, which accounts for approximately three-quarters of the total production, is just beginning. In the province of Buenos Aires, which usually raises 80 per cent of this crop, acreage is reportedly 10 per cent higher this year than last. Except for some dry weather in February, growing conditions have been good. If present prospects hold, it seems probable that Argentina will have this year a considerable surplus of potatoes above domestic requirements. Evidence of such a surplus is already apparent in declining prices, the establishment of an export quota of 36,000 tons, and a regulation effective March 15 forbidding the sale of domestic consumption of potatoes weighing less than 80 grams (2·8 ounces) or more than 500 grams (17·6 ounces).

### Prices Fluctuate

Wholesale potato prices in Buenos Aires, as those of many other consumer articles, were exceptionally high in January 1953 (approximately 8·5 pesos per 10 kilos). With a good crop and a strong anti-inflationary official policy, potato prices declined seasonally until June. A temporary shortage developed in August and the price climbed almost to its January peak. Imports of 10,000 tons from Europe and the advent of the early crop quickly reduced prices to approximately five pesos in December. The large semi-early crop and the good prospects for the later crops lowered prices still further. In January they averaged a little over 3·5 pesos and are currently 4 pesos wholesale and about 2·5 pesos on the farm. Certified Argentine seed last October sold for between 7·50 and 9·50 pesos. Imported seed reportedly sold at about 9·0 pesos.

### Imports from Canada High

In spite of the fact that total potato production last year was officially estimated at 1·375 million tons, or considerably above normal domestic requirements, Argentina had to import approximately 10,000 tons of table stock potatoes in October. These potatoes were purchased from Denmark at a price privately estimated to be approximately US$3.00 per 100 lb., c. & f., Buenos Aires. Because of Argentina's policy of buying only the most essential goods from the dollar area, only the Netherlands and Denmark were designated as potential sources.

After importing less than 22,000 sacks of seed potatoes in 1952 and none in 1951, Argentina in 1953 again became a major importer of seed. A total of more than 269 thousand 50-kilo crates or sacks entered the country. More than 90 per cent of these came from Canada, 20,000 from the United States, and the remainder from Denmark as part of the 1952 order.

# . . . for Canadian Seed Potatoes

*Last year, Argentina again became major importer of seed potatoes with 90 per cent coming from Canada, but prospects this year are for much smaller purchases. In Uruguay, imports will depend on price and on available foreign exchange; may fall below last year's.*

The Canadian exports in 1953, which consisted of 11,000 tons of Katahdin, 1,000 tons of White Rose, 200 tons of Sebago and 50 tons of Sequoia, totalled more than those of all years 1947-52 and represented (as far as is known) the largest percentage of Canadian seed potatoes which Argentina has ever imported.

With very minor exceptions, all shipments of the Canadian seed arrived in Argentina in good condition. Development of this seed reportedly has been satisfactory although there have been comments that parts of the early shipments suffered from immaturity and developed slowly after planting. The sanitary condition of the Canadian seed both on arrival and during growth was very satisfactory. The yield is expected to be normal, but not as good as first anticipated because of a dry February.

### Sales Prospects for 1954

The agricultural authorities in Argentina are fairly firmly convinced that, from a technical and scientific standpoint, it would be to their advantage to import reasonable quantities of seed potatoes each year. Canada has an excellent reputation in Argentina as a source of high-quality seed. However, Argentina's foreign trade policy is basically a "barter" or "buy from those who buy from us" policy. Because most surplus Argentine products find a market outside the dollar area, Argentina is chronically short of dollars and uses them to import only essential articles which are unobtainable elsewhere.

This year, reproduction of last year's large quantities of imported seed will supply sufficient first multiplication seed to satisfy all Argentina's seed potato requirements with relatively high-quality seed. This fact makes it difficult to establish the essentiality of seed potato imports this year. This year's high, possibly record, production will mean low potato prices and hence a resistance to high-priced imported seed; it will mean too that an abundance of domestically produced certified seed will be looking for a market. These factors make it difficult to establish the economic and political desirability of importing seed potatoes this year.

On the other hand, Argentina's holdings of gold and foreign exchange increased by 300 per cent during 1953 and if she can sell her surpluses of meat, hides, wool, grains, etc., at reasonable prices, she should be able to maintain her improved balance and permit some relaxation of import restrictions on certain essential items. Whether or not seed potatoes will be included among the favoured articles is difficult to predict. However, in view of the many other pressing requirements, it seems likely that if exchange is granted for seed potatoes this year, imports will be restricted to one-third or one-half of last year's level.

### I.A.P.I. Is Buyer

Should Argentina import seed potatoes this year, the business will be handled as usual by I.A.P.I. (Argentine Trade Promotion Institute) on a call for tenders. Last year the tenders were called for August 18th and shipments arrived from Saint John, N.B., between October 23 and November 26.

Although quotations were requested last year for both bagged and crated potatoes, all awards were for the crated product. The producers' familiarity with and acceptance of the wooden crate make the officials reluctant to switch to bags. As Argentina has no particular interest in small-size seed, she normally requests the two grades packed together.

The potato situation in Uruguay at present is somewhat brighter than for the past two years but the country will still be short of both seed and table stock potatoes. Last year excessive rain in January and February caused heavy losses to early plantings of the imported seed and a reduction in the area seeded. Thus the summer crop was not successful. Weather has been good this year in all important sections of the potato-growing area. The plants generally have made excellent growth and are particularly healthy. However, a moderate rainfall is needed shortly to ensure the crop that now seems possible. This summer crop, planted in January and February, consists mainly of newly imported Canadian seed (used to produce seed for the winter crop) and second, third and fourth generation Canadian seed and other imported seed usually of the Up-to-Date variety (used to produce table stock). The winter crop, planted during August-October, is mainly for table stock although some seed is produced for the next summer crop.

### Good Demand for Canadian Stock

Uruguay regularly imports both seed and table stock potatoes. In prewar years Argentina supplied most of her requirements. However, in recent years table stock and some seed have been imported, mainly from European countries. Canada has supplied the bulk of certified seed for the production of seed for future plantings. During the past five years imports of table stock have fluctuated between 13,000 and 48,000 metric tons. Imports of European seed for single planting range from 1,500-4,000 tons and imports of Canadian seed (according to Canadian statistics) have averaged approximately 7,400 tons (271 thousand bushels) during the past five years. In 1953 this figure reached 8,750 tons (322 thousand bushels). Thus Uruguay has, for the past few years, provided one of the largest and most reliable outlets for Canadian certified seed potatoes.

### Sales Prospects for 1954

Uruguay is expected to import seed potatoes again this fall but probably in smaller quantities than last year. Actual imports will depend on the availability of foreign exchange and the price of seed potatoes. With wool exports to North America proceeding very slowly this year, dollar exchange is likely to be scarce. In any event, seed potato imports are expected to be down by at least 25,000 bags from last year's imports (Canadian) of 175 thousand 50-kilo sacks.

Prices of Canadian seed to the Uruguayan producer last year were one-third below the previous year. This more attractive price, plus good weather at planting time, allowed the increased quantity of seed to be sold without difficulty. Furthermore, the National Food Council has recently raised the ceiling price of table potatoes from ·19 pesos to ·21 pesos per kilo. As usual, seed prices will be an important factor in determining the quantity to be imported.

### Katahdin Most Popular

The Katahdin remains the most popular variety for Uruguay and the Pontiac is still favoured in some areas. However, the popularity of the Kennebec seems to be growing. In the original call for tenders in 1952 only 10,000 bags out of a total of 170 thousand were Kennebec, whereas in 1953 20,000 out of 160 thousand were requested. When the 1953 order was later increased, total Kennebec shipments exceeded 28,000 bags. This increased popularity is expected at least to be maintained this year.

Last year for the first time Uruguay purchased both small and large-size seed packed together in each bag. This method was administratively superior to the previous practice of keeping the B size separate. For this reason future imports are also expected to be on the basis of all sizes in each bag.

Seed potato imports will, as usual, be handled by the Official Seed Service on a call for tenders. The date for the submission of tenders is normally during the first week in September. Because all conditions set by the call for tenders must be met precisely for the bid to be considered, it is preferable that each tender be submitted through a local representative to ensure that it meets all legal and technical specifications.

Argentina is expected to have an exportable surplus of potatoes this year and therefore Uruguay will probably obtain as much as possible of her table stock requirements from this source. These requirements are currently estimated at about 20,000 tons, approximately one-half those of last year.

---

## Rural Report

*Canada's farms saw many changes in the ten years between 1941 and 1951, to judge by data collected in a recent Department of Agriculture study. For example, farmers have been making increasing use of machinery; in 1951, they had 2½ as many trucks and tractors and five times as many grain combines as in 1941. In the seven years from 1944 to 1951, the number of farm customers furnished with electricity jumped from 117 thousand to 336 thousand. Sales of fertilizers have been rising over the years; in 1927, Canadian farmers used about 170 thousand tons; in 1952, the figure was 769 thousand tons. Purchases of feed and seed now constitute a larger proportion of farm expenses—22·1 per cent in 1950, compared with only 10·3 per cent in 1926.*

*In the decade between 1941 and 1951, the number of farms dropped from 733 thousand in 1941 to 623 thousand in 1951. Average size of a farm today, the researchers discovered, is 279 acres.*

# Forward Steps in the Sterling Area

*Recently the British Treasury announced the re-opening of the London gold market and the extension of the sterling transferable area. What effect will these moves have on the trading world?*

R. P. BOWER, *Commercial Counsellor, London.*

TWO IMPORTANT STEPS relating to the sterling area have just been announced by the United Kingdom Treasury. They are:

- The opening of the London gold market after an interval of 15 years.

- An extension of the sterling transferable area.

The last year and a half has witnessed the re-opening of a number of the London commodity markets. Trading in lead, copper and zinc was resumed in 1953 and the decision to open the gold market adds one other important commodity to this list.

## Gold Market Re-opened

In prewar days, London was the leading gold market in the world and the new arrangements are aimed at restoring London to its position as an international centre. Doubtless competition will be strong from other international markets, but it may be assumed that the volume of business transacted in London will increase, thereby adding to the United Kingdom's invisible earnings. By offering a further use for sterling, this move makes the pound a more desirable currency and should enhance its prestige as a medium of exchange.

## Sterling Transferable Area Extended

The extension of the sterling transferable area means that from the point of view of the British exchange control, the world is to be divided into three main areas. These are:

- The sterling area (the Commonwealth countries, except Canada, and a few former British territories).

- The dollar area (Canada, the United States, and Latin American States in Central America and the northern part of the South American continent).

- The transferable account area (all non-sterling areas outside the dollar area with the current exception of Hungary, Turkey and Persia).

## Other Concessions Made

Under the transferable account system it has been permissible for participating countries to use sterling for financing direct transactions between one another without permission of the British exchange control. (Capital transfers were not included.) The effect of the recent decision is to extend transferable account facilities to all non-sterling countries outside the dollar area. With this extension go certain other concessions. Henceforth transferable account countries are not compelled to accept sterling from other transferable account countries in settlement of differences between them. Second, the automatic transferability is no longer confined to current transactions—it will be permissible for capital account deals as well. A further concession allows countries using sterling in the settlement of their trading accounts to employ whatever exchange rate they wish. Previously they were bound theoretically to observe the official rate.

## Effect on Canadian Trade

The barrier between transferable accounts and dollar accounts still remains. In other words, countries coming into possession of "transferable account" sterling will not be able to convert this into dollars or into American account sterling, which is the same thing. The step is nevertheless in the right direction and is expected to bring a number of advantages to British and other sterling area traders. It will definitely simplify the exchange and customs procedures which have often been involved in the past when overseas orders have been accepted. By making sterling a more "facile" currency, it should increase its value and thereby its use. The use of sterling in its turn brings income to London and hence adds to the earning capacity of the United Kingdom. ●

# "Infrastructure" and Canadian Industry

*For 1954, NATO has approved the spending of £90 million on the common infrastructure program. This explanation of the how and why of infrastructure may help Canadian companies seeking a share of these contracts.*

E. C. THORNE, *Chief, Machinery and Metals Division*

MOST CANADIANS are familiar with the word NATO, the abbreviation for North Atlantic Treaty Organization in common use. Few are familiar with or understand the term "infrastructure". This unfamiliarity needs to be removed because continued lack of interest in infrastructure programs on the part of Canadian industry may result in the loss of business for Canadian engineering know-how and for Canadian manufacturers.

Infrastructure is a French railroading term used to describe the equipment required to operate a railroad in addition to the rails and rolling stock. The term was adopted by NATO as a general one applying to fixed installations needed for the effective operation of military forces. The term includes both facilities which are not specifically military, such as roads and ports, and those which are purely military, such as headquarters, airfields, signals communication facilities, troop accommodation, etc.

### Two Types within NATO

In NATO, infrastructure is described either as "national" infrastructure or as "NATO common" infrastructure, depending on how it is financed. National infrastructure facilities are those required primarily or solely for the use of national forces and constructed at the expense of the nation concerned. The main military construction programs of all NATO nations fall within this category.

NATO common infrastructure facilities are those required in addition to installations normally provided by individual countries for their own forces and which have been approved for common financing by the North Atlantic Council. They are constructed for use of the several forces assigned to, or earmarked for, NATO's Supreme Commanders (land and sea), such as signals communications, or for assignments by the Supreme Commanders to the forces of one or more NATO nations, such as airfields. All the NATO nations share the cost of these common infrastructure facilities according to an agreed percentage contribution or cost-sharing formula.

Most of the common infrastructure projects are being built for the use of the forces assigned to Supreme Allied Commander, Europe, and are therefore located for the most part in Continental Europe. In Canada all defence installations would qualify as national infrastructure; no NATO common infrastructure installations have yet been located here.

The NATO common infrastructure program represents a significant development in international co-operation. Member nations have pledged approximately $1·9 billion for the cost of common infrastructure projects to be constructed by the end of 1957; Canada has agreed to contribute approximately $116 million of this amount. It should be pointed out, however, that the total cost of the program, large as it may seem, represents only a small fraction of the total cost of the efforts of member countries for NATO common defence.

### How Program Originated

The common infrastructure program originated under the Brussels Treaty Organization, with the five members of the Western Union Defence Organization contributing collectively to the construction of airfields. This program has since become known as the "First Slice" of NATO common infrastructure, although the other NATO countries have not shared the costs. At the Ottawa meeting of the North Atlantic Council in September 1951, NATO in effect took over the Western Union airfields program and agreed to the financing of the "Second Slice" of common infrastructure, which included airfields and signals communications facilities. Agreement on the financing of the "Third Slice" was reached in Lisbon in February 1952 and on the first and second portions of the "Fourth Slice" at Paris in December 1952 and April 1953. Each succeeding "Slice" of the program has been developed to dovetail with its predecessor and to permit future additions and extensions.

### Sharing the Costs

In April 1953, to eliminate the practice of negotiating a cost-sharing formula for each "Slice" and to facilitate both financial planning by member governments and military planning by NATO military authorities, the NATO Council adopted a long-term cost-sharing formula for application to the additional "Slices" in

1954, 1955 and 1956. The contributions of member countries are, of course, subject to whatever legislative action is appropriate in each member nation to provide the required funds.

The NATO military authorities are responsible for recommending to the NATO Council for its approval infrastructure projects for common financing. The North Atlantic Council and its infrastructure committee, before approving projects, have to ensure that they are eligible for common financing—that is, that they are not projects which should be financed out of national funds.

### Supervising the Projects

They must also ensure that the projects recommended meet the military requirements efficiently and economically and make full use of national facilities. The actual construction of the common infrastructure facilities is the responsibility of the countries in which they are located, which are known as "host countries". Once commitment authority has been granted, the host country can go ahead with construction. For each quarter of the calendar year the host country submits estimates of the expenditures it expects to make during that period. The Payments and Progress Committee examines the estimates and, when it has approved them, requests each country to pay its share directly to the host country. There is no NATO common infrastructure fund or bank account.

It is an established principle that the execution of infrastructure projects is the responsibility of the countries in which they are located—in other words, the host countries. However, in view of the common financing and common use of the facilities, the North Atlantic Council and the NATO Military Commanders have a direct interest in the execution of the programs. To ensure that projects are executed within the financial appropriations approved for them and to promote sound engineering practices, the NATO countries have introduced a procedure for reviewing programs before approval and for a measure of budgetary control during execution. This control is exercised by the International Staff, reinforced by a group of qualified civil engineers and by the Infrastructure Committees of the North Atlantic Council.

The budgetary control requires that host nations, before they commit funds on any infrastructure projects, must obtain authorization from the Infrastructure Payments and Progress Committee of the Council, and from the Council itself. By following in detail the rate of expenditure and method of construction in each country, the International Staff, augmented by specialists in each field of construction, is able to foresee any possibility of cost increases and to recommend ways and means of effecting economies. Along these lines the Committees of the Council, the International Staff, the Military Authority and host nations work in harmony both to avoid waste of time and to obtain full value for the money commonly contributed by NATO nations.

### Program for 1954

The North Atlantic Council has approved a £90 million Infrastructure Program for 1954 to provide the NATO defence system with additional airfields, jet fuel pipelines and storage facilities, communications networks, and naval facilities, including radio aids to navigation. A total of £540 million has thus far been designated to specific projects for the NATO Infrastructure Program, which is designed to furnish the basic permanent installations to support NATO's armed forces. About half of the 1954 infrastructure appropriation will be devoted to the completion of the jet fuel pipelines and fuel storage system for the airfields that NATO has been constructing over the past three years. The new program also includes a number of storage bases in the Mediterranean. It makes provision for a further expansion of telecommunication facilities already under construction in earlier programs, particularly in the Mediterranean area. The projected navigation aids will be established in the Eastern Atlantic. When completed, they will be of great peacetime assistance to merchant shipping and civil aviation.

### Opportunities for Canadian Industry

All of this information has been made available by the Department of External Affairs through its monthly bulletin and in press releases. In addition, a number of Canadian companies have been given the opportunity to quote on projects up to and including the "Fourth Slice". However, the response to the efforts on the part of the Department of Trade and Commerce—which has gone to some lengths to ensure that Canadian firms have every opportunity to participate in the infrastructure program—has been very disappointing.

To keep up to date on infrastructure developments, the Canadian Government has a Canadian Delegation in the NATO organization in Paris. Its function is to watch Canadian interests. Through this Delegation, the Department of Trade and Commerce in Ottawa receives information on various projects, some of which are in the planning stage, and on the procedure for international competitive bidding. The Department of Trade and Commerce, in turn, is required to issue certificates of eligibility for any Canadian firms to which it has submitted tenders received from our NATO Delegation.

### Difficulties in Path

Infrastructure probably offers to Canadian industry a great opportunity for participation. But, without collaboration among Canadian manufacturers, there are bound to be major obstacles in the way. It may well be that Canadian firms are reluctant to tender on these projects because of the feeling that such factors as the transport of heavy equipment from so great a distance make actual Canadian participation difficult. To a certain extent the same considerations influence United States firms, and it is worth noting that American firms have overcome these difficulties and have been awarded contracts. Some Canadian firms may also be at a disadvantage in quoting because of higher wage levels and, perhaps, inexperience in dealing with export inquiries of this kind. Nevertheless, Canadian companies might be well advised to raise their sights a little and look for job opportunities outside of Canada.

### How to Proceed

Canadian companies intending to interest themselves in infrastructure must be willing to appoint agents in the host countries. They must also familiarize themselves with the sites involved and be prepared to procure necessary material and labour for an all-inclusive contract. Many manufacturers are apparently not fully aware of the valuable services rendered by Canadian Trade Commissioners, who will be glad to recommend to intending Canadian exporters the names of responsible persons to act as agents or buyers and distributors. Furthermore, exporters requiring more specific information may write to the Trade Commissioners in the territory concerned. These Trade Commissioners are always glad to receive visitors from Canada and to introduce them to possible buyers or agents.

A Canadian firm deciding to go after infrastructure contracts or to enter export markets in general should first obtain as much information as possible from the Foreign Trade Service, Department of Trade and Commerce, Ottawa. Exporters should also secure a listing in the Department's confidential *Exporters' Directory,* an up-to-date copy of which is maintained in the office of every Canadian Trade Commissioner abroad. This Directory furnishes the Trade Commissioner with first-hand information on Canadian exporters and enables him to give immediate and direct assistance to any listed Canadian firms which write to him.

There are, without doubt, difficulties in the way of Canadian firms who wish to participate in the infrastructure program. For this reason, the Foreign Trade Service of the Department of Trade and Commerce in Ottawa will continue to undertake the all-important job of co-ordinating the efforts of Canadian representatives in NATO countries and the NATO Organization in Paris, as well as acting as a liaison between the Department of Trade and Commerce and Canadian industry. But if it is to do this effectively, the Department must have as much information as possible placed at its disposal by Canadian industry. ●

## Tin Agreement Studied

FROM MARCH 1st to JUNE 30th Canada, with other member governments of the International Tin Study Group, will give careful consideration to the proposed Tin Agreement drafted at Geneva early in December 1953. Several countries have already said that they intend to support this Agreement, designed to stabilize prices and to prevent depressed conditions in the tin industry.

The United States, which alone accounts for 40-50 per cent of world tin consumption, has officially informed other governments interested in tin that it will not sign the Agreement. The State Department announcement, however, indicated that the United States would not prevent the Agreement from becoming effective nor object to other countries participating in it.

The Tin Agreement now awaiting signature by interested countries is the culmination of a long series of discussions and meetings held by the Tin Study Group and its Working Parties. From its inception in April 1947, the Study Group has kept world production and consumption under constant review. In addition, under its terms of reference, it drafted in June 1948 the framework of an Agreement conforming to the general spirit and principles of the charter of the International Trade Organization. This draft and subsequent redrafts met with very little success. Both producing and consuming countries found it impossible to reach agreement on such important issues as the price range, the size, role and financing of the buffer stock, etc.

The impasse on a Tin Agreement continued until it appeared that burdensome surpluses would develop when U.S. stockpile purchases ended. Consequently, at Geneva in December of last year most producers and consumers were able to settle their differences about the form which an Agreement should take. It provides for a price range from 80 cents to $1.10 a pound U.S. currency, a buffer stock of 25,000 tons to which the producers will contribute only to the extent of 75 per cent in metal and 25 per cent in cash, and for the establishment of export controls when buffer stocks have reached 10,000 tons or when decreed necessary by the Tin Council. In addition, authority is given to the buffer stock manager to buy and sell tin within the limits of 90 cents and $1.00 a pound. Apart from stabilizing prices, this Agreement, if ratified, is expected to stabilize as well the economies of the producing countries, most of which depend upon one or two commodities to maintain employment.

A. M. TEDFORD,
*Machinery and Metals Division.*

# Promoting Canada at the B.I.F.

*When the British Industries Fair opens in London and in Birmingham next week, the official Canadian exhibits will focus attention on our trade with Britain and on British investment in Canadian development.*

O. MARY HILL, *Editor, "Foreign Trade"*

FOR BRITISH INDUSTRY and for thousands of businessmen from other countries, Maytime is Fair time. Since 1915, when the first British Industries Fair opened its doors on a wartime world, May has brought successive versions of the B.I.F., except for a seven-year interlude from 1940-1947. The 1954 B.I.F., which begins in London and Birmingham on May 3 and will run until May 14, holds fast to the expressed purpose: "To project British industry on the world and be a pageant of the best in British industry".

The first British Industries Fair, held in the Royal Agricultural Hall in London in May 1915, was organized to fill a war-born need. The disappearance of German and Austrian-made goods had left gaps in the market—gaps which, the British Government felt, British and Empire manufacturers could fill. The goods displayed were divided into five categories, with the emphasis on consumer goods. About 17,000 visitors came to see that first Fair and it drew 300 foreign buyers, including 13 from Canada.

## Growing Up

Since those days, the B.I.F. has undergone a transformation both in character and in size. One of the major changes came in 1920, when the Birmingham Chamber of Commerce became responsible for organizing the Birmingham section of the Fair. This section now displays, at Castle Bromwich on the outskirts of the city, products of the main metal and engineering industries. The other two sections are in London—one at Earls Court and one at Olympia—and the three sections together cover over a million square feet and run the gamut of British manufacturing.

In a sense, the B.I.F. is not an international Fair, because only goods manufactured or produced mainly within the United Kingdom or the Commonwealth may be displayed. The last few years have seen exhibits confined to United Kingdom commodities and the B.I.F. has become a spearhead of the British drive for export markets. The Commonwealth and Empire section at Earls Court, however, carries general Commonwealth displays.

Many success stories told after last year's Fair indicate how potent a factor the B.I.F. is in building up export trade. Last year Royal Crown Derby took space for the first time to show its world-famous china. The result: the company had to open new premises to take care of the flood of orders; one Canadian firm alone ordered 30,000 cartons of the china. Another exhibitor opened approximately 500 new overseas accounts as a result of the Fair. The prefabricated buildings section, a novelty at the 1953 Fair, did a booming business selling, among other things, a prefabricated hospital to Liberia and a prefab theatre to Jamaica.

A few figures will illustrate the growth in size of the postwar B.I.F. When it re-opened in 1947, it attracted about 16,750 overseas trade buyers from over 108 countries. Last year the number of trade buyers had risen to 58,919, drawn from over 128 countries. It is interesting to note that the largest group in 1953—1,136 trade buyers—came from Australia and the second largest, 667, from the Irish Republic; Canada's contingent numbered 366. The total number of visitors is, of course, far higher; last year the public was admitted every afternoon throughout the Fair.

## Canada's Prewar Exhibits

Canada's connection with the B.I.F. dates back to 1915, with one lone Canadian firm exhibiting. But official Canadian participation began in 1929, when the Department of Trade and Commerce reserved space at London and at Birmingham. From then until 1939, the Department was a regular exhibitor. This prewar exhibition pattern differed from the postwar one. Anxious to encourage individual Canadian companies to display their goods, the Department took the lead in organizing small Canadian sections both at London and at Birmingham. These sections were divided into 10 by 10 ft. booths and the Department then leased them to Canadian firms at a nominal charge.

In addition to the commercial displays, the Department presented each year an official exhibit in the Commonwealth and Empire Court, and food products made in Canada were usually featured.

When the British Industries Fair re-opened in 1947, Canada was at once invited to exhibit officially; commercial exhibits were confined to British manufacturers. The official exhibit had a three-part theme—Canada as a producer, Canada as a market, and Canada as an industrial opportunity. The food angle was not entirely overlooked: portions of the exhibit depicted the processing and grading of the principal Canadian food products selling in Britain.

### The Postwar Trend

In succeeding years, the main motifs of Canada's displays have continued to be two-way trade and industrial development. But displays alone cannot do the job of "selling" Canada and promoting trade. Throughout the Fair, Trade and Commerce officials are on duty at the Canadian exhibit in London to answer inquiries and to distribute suitable literature and the plan of the stand includes a lounge and a private office for business interviews.

At Castle Bromwich, Birmingham, Canada also maintains a smaller stand and an information booth, staffed by Trade and Commerce officers. This section of the Fair brings these officers into touch with the great engineering and manufacturing industries of the Midlands area, and also gives them contact with industrialists and buyers from many countries.

At each section of the Fair last year, Canadian Trade Commissioners conducted about 150 business interviews with British or foreign business visitors. The majority of these were export or import inquiries, some of them of major importance; others concerned the setting-up of branch plants in Canada. Thus the Canadian exhibits at the B.I.F. serve a dual purpose—they keep Canada and its products before the thousands of Fair-goers, and they also give our Trade Commissioners in the United Kingdom an opportunity of making new and worthwhile contacts.

### At the 1954 Fair

This year the Canadian display in the Commonwealth Court will have two features. One half of the exhibit will show, for the first time since the war, Canadian furs; the other half will carry out the theme "Canada Can Supply Basic Needs of British Industry". The fur section will feature 18 garments in the latest styles, fashioned from mutation mink, fox, wild mink, beaver, muskrat and squirrel and displayed against a blue, maroon and silver background.

In the industrial section, a wide range of commodities will be shown—metals and minerals, chemicals and synthetic products, softwoods for construction, food products and fish. The emphasis is being put on these products because they figure in the recent British relaxations on imports. In addition, a doublesided panel will outline the growth of British investment in plant and equipment in Canada since 1946.

### Future of the Fair

The 1954 B.I.F. will be the last one to be sponsored by the British Board of Trade. The next and succeeding Fairs will be managed by a public corporation, British Industries Fair, Limited, headed by Sir Arthur Smout as chairman, with members appointed by representative industrial and trade bodies and one member named by the Government. The Birmingham section will, as before, be organized by the Birmingham Chamber of Commerce. Beginning this year, too, domestic business will be emphasized as well as the promotion of export markets. But under its new management the Fair should continue to afford Canada an unequalled opportunity for promoting two-way trade with the United Kingdom.

## trade commissioners on tour

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions here and to renew their contacts with businessmen. Details of their itineraries appear under this heading, as a service to exporters and importers who wish to discuss trading problems with them.

M. R. M. DALE, Commercial Secretary in Santiago, Chile, began his Canadian tour in Windsor on March 30, and completes it in Quebec May 3-4 and Ottawa, May 5-7. On completion of his tour, Mr. Dale will be posted to Cairo, Egypt.

W. D. WALLACE, Commercial Secretary in Djakarta, Indonesia, began his Canadian tour in Ottawa on March 3rd and completes it in Winnipeg, June 11th and Vancouver, June 22nd to 30th.

Businessmen in the various centres may get in touch with these officers through the following organizations:
*Board of Trade*—Quebec City.
*Canadian Manufacturers Association*—Winnipeg.
*Department of Trade and Commerce*—Ottawa, Vancouver (355 Burrard St.)

# commodity notes

### Australia

URANIUM—The Federal Government has granted its first uranium lease to a private company—36 square miles in the Northern Territory, a few miles south of the rich Rum Jungle uranium field. The company is Uranium Mines, N.L.—Sydney, March 31.

### Barbados

CONFECTIONERY—The first shipment to Canada of confectionery, 5,000 pounds, was recently made by a local confectionery company, one of the island's new industries. Exports have already gone to the British Caribbean and the company hopes to become, after the United Kingdom and the United States, the largest supplier of confectionery to Canada—Port-of-Spain, March 30.

### Brazil

COFFEE—Brazil shipped 961,891 bags of coffee during February, of which 944,393 bags were exported abroad, 17,150 bags coastwise and 348 bags consumed on board. Coffee exports in January totalled 1,125,470 bags. As of February 28th, available coffee stocks in the ports amounted to 3,124,947 bags—São Paulo, March 22.

SUGAR—By January 31st, Brazil's sugar production from the present 1953-54 crop totalled 28,340,928 bags of 60 kilos; only 7,159,072 bags under the official crop estimate of 35·5 million bags made by the Sugar and Alcohol Institute. Since the crop year continues until the end of May and many still have considerable stocks on hand, it is expected that production will more than surpass the estimate as well as the record crop of 30,735,117 bags produced last year. São Paulo State was the largest producer, at January 31st supplying 11,691,920 bags of 60 kilos, an increase of more than 2·2 million bags over the previous Paulista crop—São Paulo, March 22.

### Chile

DAIRY CALVES—The Chilean Ministry of Agriculture has announced that, under the Milk Development Plan, from three to five thousand dairy calves will be imported into Chile during 1954. The name of the supplying country is not indicated. The Ministry has applied through the Chilean State Bank for a loan of Ch.$40 million to cover the purchase of these calves, construction of barns, and buying of milking machinery. The territory where the machinery will be purchased will be known at a later date —Santiago, March 25.

COPPER—Sale of 10,000 tons of copper, equivalent to approximately one million pounds sterling, has recently been closed with Great Britain at a price quoted on the London metal market, according to an official announcement. It is believed that further quantities have been earmarked and will be shipped to Great Britain once the necessary permit to export has been granted by the Exchange Control Authorities—Santiago, March 21.

### Dominica

VANILLA—The vanilla crop is in but is smaller than last year. Prices are climbing, with U.S. buyers offering up to $6.25 per lb. c. and f. New York—Port-of-Spain, March 24.

### El Salvador

COFFEE—For the first time in the history of El Salvador's coffee industry, sales have been made in advance of the actual crop. An official announcement says that by early March, 30,000 quintals from the 1954-55 crop year which begins November 1st had been sold at prices higher than $76.00 per quintal—Guatemala City, March 26.

### Finland

PITPROPS—Exports of Finnish pitprops so far this year total nearly 760 thousand cubic metres, already greater than last year. Britain has bought 400 thousand and Turkey 300 thousand cubic metres and there are prospects for additional British imports—Stockholm, March 30.

### Japan

BICYCLES—During 1953 Japanese exports of bicycles and parts were valued at $6,453,752, compared with $7,313,513 during 1952. Record exports of $10,895,058 were made in 1951—Tokyo, April 10.

NICKEL INGOT—Sumitomo Metal Mining has achieved production of nickel ingot of a purity of 99·9 per cent. Current production is 40 tons a month, roughly one-half of available productive capacity—Tokyo, April 10.

### Norway

CANNED FISH—Norway's total exports of canned fish products from January to October 1953 amounted to 19,954 metric tons valued at Kr.91·2 million. Figures for the same period in 1952 were 20,636 metric tons valued at Kr.94 million, and in 1951, 29,727 metric tons valued at Kr.123 million. When the bristling fishing season finished in the first week of December 1953, 640 thousand cases of bristling had been canned, compared with 370 thousand cases in 1952. Norwegian canned bristling and herring may now be freely imported into Great Britain—Oslo, April 4.

SAWN LUMBER—Domestic requirements of sawn lumber have increased so much that little or no export will be allowed from Norway during 1954. The only exception granted to date is some 10,000 railway ties for Germany—Oslo, April 4.

### Sarawak

PEPPER—The 1953 crop of Sarawak pepper is expected to be the largest in the country's history and possibly 50 per cent higher than last year's production of 4,000 long tons. Historically, Sarawak is famous for its white pepper, but with the narrowing of the price spread between the white and black varieties, greater emphasis has been placed on the production of black pepper. Pepper is second in importance to rubber in Sarawak's export trade—Singapore, March 15.

### Sweden

BUTTER—Total exports of butter in 1953 amounted to about 15,000 tons; it is estimated that 1954 exports will be between 15,000 and 20,000 tons. Chief customers last year were West Germany, Switzerland, the Soviet Union and North Africa. It is hoped to establish new markets in the United Kingdom and Eastern Europe. Exports to the Soviet Union tripled the quantity provided for in the 1953 trade agreement—6,000 tons instead of 2,000. The extra 4,000 tons were mostly paid for in dollars, to a lesser extent in sterling, or by barter transactions—Stockholm, April 2.

### Uganda

COPPER AND COBALT—These two metals are likely to become the most important factors in the economy of the country. The Kilembe Mine, which is scheduled to start production in 1956, will produce some 18 million pounds of copper a year which will be converted into blister at the hydro-electric smelter on Lake Victoria. Approximately one million pounds of cobalt will be available as a by-product of the process—Johannesburg, March 16.

### United States

COAL—The Geographical Survey has just issued a report on the United States coal reserves which are estimated at about 950 billion tons, more than one-third of the total world supply. Forty per cent of this estimate is bituminous, 24 per cent sub-bituminous, 34 per cent lignite, and 2 per cent anthracite. In spite of the importance of the oil and natural gas reserves of the United States, coal reserves constitute about 84 per cent of the total potential recoverable fuel reserves in the U.S. This estimate may be compared with a production of about 507 million tons in 1952 and a total export of about 53 million tons in 1952 (about 35 million tons for the first eleven months of 1953). Canada is the principal customer for U.S. coal, taking about 47 per cent of total exports in 1952 and about 62 per cent for the first eleven months of 1953—Washington, April 15.

### Venezuela

EGGS—Over 20,000 cases of Danish shell eggs arrived in Venezuela during the first two months of 1954, according to published ships' manifests. This probably supplied 40 per cent of the Venezuelan import demand for that period and is more than twice the total of egg shipments from Denmark during 1953. In previous years, the United States has supplied 87 per cent of the market, Canada 10 per cent and Denmark less than 2 per cent—Caracas, March 22.

### West Germany

ALUMINUM—Approximately 150 thousand tons of raw and reclaimed aluminum were produced in the Federal Republic of Germany during 1953. Of this quantity, reclaimed aluminum accounted for 29 per cent.

Total imports of raw aluminum from January to November (incl.) 1953 were 20,535 tons, broken down by countries of origin as follows: Denmark, 300; France, 229; Great Britain, 1,070; Yugoslavia, 488; Netherlands, 2,114; Norway, 553; Austria, 6,725; Sweden, 891; Switzerland, 3,166; Kenya-Uganda, 7; Tanganyika, 4; Formosa, 520; Indonesia, 27; United States, 531; Canada, 3,950.

It was recently suggested that an increase of production amounting to another 125 thousand or 130 thousand tons a year was possible. The annual aluminum consumption in West Germany was only 2 kg. per capita in 1953 (based on foundry aluminum); consumption was double, even four times as much, in other aluminum-producing countries. A preliminary condition for increased German production is sufficient power supply at reasonable prices—Bonn, March 30.

# Britain Frees Oils and Fats

*Next week, all edible oils and fats will come off ration after 15 years—the last step in a gradual process of decontrol. Here is a review of the supply situation.*

D. A. B. MARSHALL, *Commercial Secretary (Agriculture), London.*

ALL EDIBLE OILS AND FATS will be derationed in Britain on May 8, 1954, and on June 1st those still under government control will revert to private trade. In the fifteen years during which the Government has been responsible for the acquisition, manufacture and distribution of oils and fats, production of margarine has doubled and consumption has increased two and a half times at the expense of butter, consumption of which is now little over half the prewar figure.

As sole purchaser, the Ministry of Food was responsible for the import of most of the main types of vegetable oils and oilseeds and for marine oils and certain animal fats which constituted the greater part of British consumption. As agents of the Ministry, individual firms processed these imports and sold the products back to the Ministry, which was responsible for the distribution of rationed margarine and cooking fats to retail shops, caterers and manufacturers. In the soap industry, the Ministry sold the oils to individual firms.

Actually, the process of decontrol started in 1947 with tung oil. Other minor oils, including olive oil, were released in 1948; the derationing of soap followed in 1950. Linseed was returned to private trade at the beginning of 1953 and soya beans in January 1954. The latest pronouncement calls for the completion of the process during the first half of 1954.

## Sources of Supply

The three main oils and oilseeds imported by the United Kingdom are palm, palm kernel and peanut. In 1953 these, together with coconut, cottonseed, soya bean and sunflower, amounted to 780 thousand long tons (oil equivalent), compared with 854 thousand in 1952.

The principal source of supply of palm kernels and palm oil is Nigeria; the proportion of kernels to oil last year was approximately two to one. Sierra Leone is another important source of kernels; Malaya ships mainly oil.

Nigeria is also by far the largest supplier of peanuts (shelled), exporting to Britain in 1953 some 308 thousand long tons out of the total British import of 349 thousand. Imports of peanut oil are fairly small. Supplies of peanuts have been moving from Nigeria to Britain in increasing quantities over the past few years, thanks to improved rail facilities; nevertheless, the Commonwealth Economic Committee reports that some 120 thousand tons of the previous crop still remain in store. Gambia supplied most of the remaining imports in unshelled form.

## Oils and Oilseeds

Imports of coconut palm products into Britain are declining; shipments of copra totalled 92 thousand tons in 1953 and 168 thousand the year before. These were purchased mainly from New Guinea and Papua and Indonesia. Supplies of coconut similarly went down from 47·5 thousand tons in 1952 to 25·3 thousand last year, chiefly because of a heavy drop in shipments from Ceylon. Supplies from Fiji were maintained at 15 thousand tons.

Soya bean imports totalled 39 thousand long tons, of which 26 thousand tons were shipped from the United States and the remainder from Canada. This product has already been decontrolled and was subject to Open Individual Licence from January 1, 1954. Soya bean oil imports were negligible in 1953, however, and are now only allowed in from scheduled territories. Imports of sunflower seed oil in 1953 stood at 2,700 tons, or about one-tenth of the shipments in the previous year.

## Long-Term Contracts

Though the general statistics of imports and production indicate a fall in supplies, which would appear to militate against derationing and decontrol of oils and fats in Britain there are a number of long-term arrangements with the main supplying Colonies which give a degree of security for the future.

Long-term contracts for palm oil and kernels lasting until 1955 are maintained with Nigeria, Sierra Leone, Gold Coast and Gambia. Under these contracts the exportable surpluses are purchased by the U.K. The produce of this area, which represents more than half of the world's production, is purchased by local produce marketing boards and sold for export. Similar arrangements apply to peanuts and peanut oil in the same territories.

Long-term contracts which last until 1957 are maintained with Fiji, the Gilbert and Ellice Islands, Cook Islands, Western Samoa, Solomon, Tokelan and Tonga Islands, New Guinea and Papua, for the supply of copra and coconut oil.

### Prices Fluctuate

Although prices of oils and fats have been controlled for the last fifteen years, the Ministry of Food changes its selling prices in accordance with trends in the world market. In its last bulletin dated February 17, 1954, there were general increases in most types of £5 to £10 per ton. Palm kernel oil was quoted to manufacturers and primary wholesalers at between £133 to £137 per long ton naked ex works and peanut oil between £147 to £157. Coconut oil was quoted at £134 to £138 per long ton.

At mid-March the current American price for U.S. No. 2 yellow soya beans was £51/10/0 per long ton c.i.f. Europe, but forward quotations for October-November shipment were down to £39/2/6 per long ton.

Soya bean refined deodorized oil, the price of which was still controlled by the Ministry of Food at the time of writing, was quoted at £163 per long ton and for crude at £145 per long ton naked ex mill.

Rapeseed c.i.f. was priced at £60/10/0 per metric ton from Sweden, with the Ethiopian product quoted at £52/10/0 per long ton c.i.f. Crude rapeseed oil dropped from the end of last year by £11 to £154 per long ton naked ex mill.

The market price of British East African sunflower seed was £42 per long ton c.i.f. Europe; the crude oil product was £145 per long ton naked ex mill, and the refined deodorized oil £163 ex mill.

Mustard seed has already been decontrolled and may be imported from any source without separate licences. Manufacturers in the United Kingdom have been purchasing the brown mustard on contract from farmers at £6 per 112 lb., but the black or Trowse seed is replacing the brown variety at £3/10/0 per 112 lb.

### Private Import Arrangements

The private trade in these oils and fats will become effective from June 1st. Sunflower seed, soya beans and oil, rapeseed and oil, and margarine and compound cooking fats, together with premier jus and oleo stock, will be admitted into Britain under Open Individual Licences from any source. There will be no restrictions on the use of soya beans. The Ministry will announce arrangements for the import of lard.

### Effect of Derationing

Domestic rationing of cheese, butter, margarine and cooking fats will end on May 8, 1954, when branded margarine will reappear. Off-ration sales of margarine and cooking fats have been permitted since January 24th and preparatory to derationing and decontrol, the subsidy on all these products was removed by the end of February.

Reflecting the reduced supplies of oils and fats, U.K. production of margarine in 1953 dropped to 406 thousand tons, compared with the level of 445 thousand tons for the two previous years. Estimated consumption per head went down by one pound in 1953 to 18·2 lb. In the last quarter of 1953, about 11 per cent of the margarine allocated on ration was not taken up, but almost all of the butter allocated was purchased. With the prospect of derationing, there has been considerable speculation about the future trend of the prices of both these products. Several leading manufacturers propose to market a premium-grade spread at approximately 1/10d. to 2/– per lb. (25 to 27 cents) compared with the National unsubsidized product at 1/6d. per lb. (20 cents). One has announced a premium brand at 2/3d. (30 cents). The unsubsidized retail cost of butter is 3/8d. per lb. (50 cents). Some experts believe that twice the price of margarine will provide a ceiling beyond which the price of butter will not rise after decontrol. Others suggest that it may go higher. In trade circles the prospective price of butter has replaced the weather as a subject for "guesstimates".

## Television and Banking

*A Boston savings bank is installing a television system that promises some significant safety and labour-saving improvements. A television camera passes a picture of the main banking floor to six positions in the building where officials can keep it under observation and, if necessary, flash an emergency alarm. But the system's main purpose is not protection, but the quicker handling of customer transactions. With a microphone, the teller relays the account number upstairs and in a few seconds he has the customer's balance and signature on a television screen at his elbow. As he records the figures on a machine, they are repeated electronically on tape in the accounting department.*

# SOUTH AFRICA *and Import Controls*

*The gradual removal of import controls in 1955, if world economic conditions remain stable, was forecast recently in the speech introducing the Union's current Budget.*

A. WORDEN EVANS, *Trade Commissioner, Cape Town*

THE MAIN POINT OF INTEREST to Canadian manufacturers in the South African Budget for 1954-55 was the forecast of the end of import control. Though little change will be made this year, the Minister of Finance stated that he looked forward to the gradual dismantlement of import controls in 1955. The Budget Speech breathed optimism as the Government took advantage of a surplus on current account and a reduction in capital expenditure to make sweeping tax concessions. After allowing for these, revenue and expenditure on current account are expected to balance.

It was stated that foreign exchange receipts from the new gold mines in the Orange Free State and the uranium developments are increasing at a time when the Government's need for foreign exchange is decreasing. Expenditures for the railways and on a new plant to produce oil from coal will be smaller this year and during 1955 there will be a further substantial decrease. The oil-from-coal plant should be in operation towards the end of 1954 so that imports of petroleum will diminish and the railways will receive much of the outstanding equipment on order. As a result, if world economic conditions remain stable, the plan is to remove import controls gradually next year.

## Protecting New Industries

This brings to the fore the problem of protecting new industries which have been established in the past few years. This problem will be tackled in three ways:

- One, extra foreign exchange has been allowed this year to permit industry to modernize and re-equip to face increased competition.
- Two, tax relief has been provided to encourage such action; in addition to the previous normal depreciation allowance, a further initial 10 per cent will be allowed.
- Three, some measure of tariff protection will be provided, but the Minister warned that the Government will not consider any claims for protection by uneconomic industries established in the Union as a result of import control. Industrialists were advised to concentrate their efforts on achieving the maximum degree of efficiency to meet competition.

## Money in Circulation

The generally prosperous condition of the economy and the increase in the national income led to a small rise of £5 million in the amount of money in circulation. This amount reached £444 million at the end of 1953. There was a rise in bank credit of about £29 million, much of it short-term credit to finance the unusually large agricultural production. The banks' cash reserves during 1953 fell from £80 million to about £63 million and this fall, coupled with the rise in deposits, caused a decline in their cash reserve ratio from 20·1 per cent to 15·4 per cent, the lowest since 1952. This tight money situation has led to the Reserve Bank's discount rate once again becoming an effective instrument of policy. The Minister stated that there was no intention of lowering the discount rate because it was felt that, at its present level, it may be an important stabilizing factor.

## Public Debt

As at March 31, 1954, it is expected that the public debt will have increased by £55·6 million to a total of £898 million. Against this amount must be offset £24·6 million held in the sinking fund, giving a net debt of £873·4 million. Overseas loans during the year 1953-54 increased by £23 million to a total of £64 million, constituting 7 per cent of the total public debt.

In assessing the burden imposed by the public debt it was remarked that the rise in the national income should be remembered. For the year ending 30th June, 1953, this reached £1,247 million, or 8·6 per cent above the £1,148 million for the previous year. Agriculture was responsible for £43 million of this increase and private industry for £29 million. Available indices for production, employment and retail sales indicate that this level is being maintained. As a result, the public debt has declined from 90 per cent of the national income in 1946 to only 68 per cent in 1953, even though over £440 million of the total was spent on productive capital works, such as railways, posts and telegraphs and telephones, on the government steel corporation, housing, and so on.

Another aspect of budgetary policy is the reduction of capital expenditure during the year as a result of decreased spending on railways and the oil-from-coal plant already mentioned. This means that the Government will not have to enter the capital market. Thus ESCOM, the government power authority, will be able to obtain the funds necessary to expand electrical power output and the municipalities will be able to borrow more freely to carry out essential public works.

### Main Features of Budget

Tax reductions, which include the new depreciation allowance already mentioned, resulted in the lowering of income tax at all levels and the carrying out of the recommendation of a Parliamentary Committee that taxes at the highest level should not amount to more than 12/6d. in the pound. Various types of pensions were increased, death duties were lowered, and certain other deductions allowed on housing for commercial, industrial and farm employees, as well as specified types of farm improvement, retroactive to July 1953.

To assist shipping, the provision for the writing-off of 40 per cent of the value of a ship during the first year of operation is to be changed and the allowance made retroactive so that it can be claimed for the years when shipping companies' earnings were high. Transfer taxes have been lowered substantially to take into account the increased cost of housing under present circumstances. Excise duties on soft drinks, carbon dioxide and tires and tubes have been removed or reduced.

The Budget mirrors the relative prosperity in the Union at the present time and the general consensus is that it is a good conservative Budget. ●

# trade and tariff regulations

### Brazil

FOREIGN TRADE BUREAU CHECKS PRICES—Prices contained in applications for import licences are subject to check by the Foreign Trade Bureau. If recent information on prices is not available, a delay in granting of import licences may result. To avoid such a delay, Canadian exporters should ensure that their latest price lists and catalogues have been sent to their representatives in Brazil so that the representatives can satisfy the Foreign Trade Bureau that the prices contained in their applications are correct—Rio de Janeiro, March 18.

### Dominica, St. Vincent

IMPORT LICENSING ANNOUNCEMENT—The Control authorities in Dominica and Saint Vincent announced on February 16 that importers in those colonies are not required to obtain licences to import the following items:

Onions
Potatoes
Split peas
Dried, smoked, pickled and salted fish
Canned fish
Meat
Powdered and canned milk
Cheese
Animal feedingstuffs
Newsprint
Kraft paper.

### Greece

CERTIFICATION OF ORIGIN—A circular from the Greek Ministry of Finance of March 12 instructs the Greek customs authorities to accept henceforth certificates of origin issued by the Canadian Exporters' Association for goods imported into Greece from Canada.

Other Canadian organizations recognized by Greece as being competent to issue certificates of origin are Boards of Trade, Chambers of Commerce and the Canadian Manufacturers' Association—Athens, March 31.

*Recipients of the leaflet "Greece—Shipping Documents and Customs Regulations," compiled by the International Trade Relations Branch of the Department, may wish to note this provision on page 2 of their leaflet.*

ANTI-DUMPING AND COUNTERVAILING DUTIES—A Greek law effective March 12 provides the framework for levying anti-dumping and countervailing duties.

Anti-dumping duties shall be levied when it is found that the price of a commodity imported into Greece is lower than its normal price in the exporting country, and that this is detrimental to Greek production or a threat to its development.

Countervailing duties shall be applied whenever it is established that direct or indirect premium or subsidy payments made in favour of a product imported into Greece in its manufacture, production, export or transportation constitute a threat to a Greek industry or an obstruction to its development. The law also provides measures against disguised dumping which takes place when an imported product is invoiced at the normal price but is sold in Greece below the invoice price as a result of an agreement between exporter and importer.

Anti-dumping and countervailing duties will be levied by Royal decrees to be issued upon proposal by the Minister of Finance. Duties levied under this law are not to exceed the actual margin of dumping or the amount of premium or subsidy paid—Athens, March 31.

### New Zealand

MOTOR VEHICLE IMPORTS FROM NORTH AMERICA—The New Zealand Minister of Industry and Commerce announced on April 8 that $2·5 million would be made available to import motor vehicles from Canada and the United States in 1954.

### Switzerland

SUPPLEMENTARY CHARGES ON IMPORTED CEREAL PRODUCTS—A Swiss Federal decree effective April 1 increases the supplementary charges payable, in addition to customs duties, on certain cereals and cereal products imported into Switzerland from all sources. Wheat and rye for milling and flour for human consumption are not subject to these supplementary charges.

The following products on which the supplementary charges have been increased appear to be of interest to Canada. The charges shown are in Swiss francs per 100 kilograms (220·5 pounds). The former charges are shown in parentheses:

Feed wheat, 4·50 (3); feed rye, oats and barley, 8 (5); oats and barley for milling, 4 (2·50); barley for technical uses, 1 (nil); unspecified cereals (other than wheat, rye, oats, barley or rice) for human food or technical uses, 3·50 (2·50); unspecified cereals for food, 7 and 8 (5 and 6); feed corn, 5 (4); corn for human food, 2·50 (2); peas for decorticating, 1 (nil); corn flour and middlings for feed, 6 (5); hay, clover and alfalfa meal, 4·50 (3); bran, 3·50 (2); and denatured flour for feed, 5·50 (4)—Berne, April 8.

*Information concerning Swiss supplementary charges on other cereal products may be obtained from the International Trade Relations Branch of the Department.*

### United Kingdom

DUTIES RESTORED ON CERTAIN IRON AND STEEL—Import duties on certain non-Commonwealth iron and steel products which have been temporarily suspended since September 19, 1952, were restored as from March 19, 1954.

The products affected are: blooms, billets, slabs; bars and rods (other than wire rod of prescribed specification); unfabricated girders, beams, joists and pillars; and unfabricated angles, shapes and sections. Commonwealth products of these types continue to be admissible duty-free when conforming with Imperial Preference regulations.

The suspension of duty has been continued for another six months, i.e., to September 18, 1954, on various other non-Commonwealth iron and steel products, including specified types of pig iron, ingots, plates and sheets, hoop, strip, and rod.

*More detailed information is available on request from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.*

BUDGET EXTENDS KEY INDUSTRY DUTIES—The Budget introduced by the Chancellor of the Exchequer on April 6 proposes the extension of Key Industry Duties for another five years.

These duties, which are authorized by the Safeguarding of Industries Act, 1921, had been extended for three years from August 19, 1951, and were therefore due to expire on August 18 next. They apply to a wide range of chemicals, numerous optical and scientific instruments, gauges and precision measuring instruments, arc lamp and other carbons, wireless valves, hosiery latch needles, certain rare metals, and a few other articles. The prevailing rate of duty is 33⅓ per cent, but there are several exceptions, notably 50 per cent on optical instruments (which includes photographic cameras), and 10 per cent, 20 per cent, 25 per cent, 30 per cent or specific rates on various other articles.

Exemption from Key Industry Duty is accorded to Commonwealth products complying with Imperial Preference regulations.

The only other customs duty affected by the Budget is that on chicory, which it is proposed to increase by 5s. 9d. per hundredweight.

## Tour of Territory

W. Gibson-Smith, Commercial Secretary for Canada at Montevideo, Uruguay, will be visiting Paraguay from May 10th to 14th. Businessmen interested in this country should either write or cable to Mr. Smith at Montevideo as soon as possible.

# CUBA *and its steel imports*

*Imports of steel in a normal year total approximately 100 thousand tons. The country is now building its first steel plant, to go into operation by the end of the year.*

W. R. VAN, *Assistant Commercial Secretary, Havana.*

CUBA CURRENTLY OBTAINS her requirements of steel from abroad and in a normal year imports approximately 100 thousand tons; the market is distinctly a price one. However, the country is now building its first steel plant at Guanabacoa near Havana and expects to put it into operation by the end of 1954. Production capacity will be comparatively small because equipment and items of manufacture are limited. Cuban scrap will be used and the plant will produce alloy and carbon steel bars, small structural shapes, and some stainless steel goods.

### The Local Industry

Cuba has one rolling mill located near Havana which produces concrete reinforcing bars. This company has been in operation for about a year, although spasmodically, because the supply of material—used rails procured from local sources—has been uncertain. The mill's operations were also curtailed by its inability to compete with imported European bars and the fact that local buyers prefer a softer steel. It is now importing billets and will be able to roll a higher-quality product at a lower production cost. The initial production target of this plant is 1,500 tons of reinforcing bars a month; its ultimate aim is to supply the bulk of the country's requirements for concrete reinforcing bars, normally about 40,000 to 50,000 tons a year.

Two large plants are engaged in the final fabrication of structural shapes for buildings, bridges, tanks, etc. The plain structural shapes are now imported, mainly from the United States. Galvanized sheets are made at a plant at Matanzas, some 100 kilometres east of Havana, from plain sheet stock imported from the United States.

Several small factories produce nails and various wire products, including barbed wire and staples. Their output is small and costs are high, and this makes it difficult for them to compete with European and American suppliers.

- The most important steel imports into Cuba are reinforcing bars, galvanized sheets (plain and corrugated), hot rolled sheets, cold rolled sheets, plates, wire products (including barbed wire), staples and nails, structural shapes and merchant bars.

- Another large item in the special category is tinplate. Annual imports of tinplate into Cuba total approximately 20,000 tons. The largest single user is a subsidiary of one of the principal American tin container firms. The demand for tinmill blackplate is very limited, except when tinplate itself is unobtainable. Under normal circumstances, tinmill blackplate imports do not amount to more than 400-500 tons a year.

- Various specialty products, including nuts, bolts, washers, wire rope, and railway accessories, are imported in fairly large quantities. Bolts, nuts and washers are bought chiefly from two or three U.S. manufacturers who have been entrenched in the Cuban market for many years.

- Railway accessories—including track spikes, track bolts, tieplates, frogs and switches—are imported by the two principal Cuban railroads and by the numerous small sugar mill railways, principally from large American producers.

- Wire rope imports usually average 100-200 tons a year. The main supplier has been the United States, although European firms are making inroads into the market.

### Customs Tariff and Competition

Generally speaking, the duties on finished steel products, which comprise 99 per cent of the steel imports, run from about 18 to 40 per cent. United States goods are granted a special preferential rate.

All United States steel producers and most big U.S. steel jobbers are represented in Cuba and have been for many years, either by branch offices or by agents. Many local agents represent European suppliers.

---

## Tour of Territory

H. W. Richardson, Commercial Secretary at Athens, Greece, plans to visit Turkey May 14-28. Canadian businessmen interested in business with Turkish firms should write or cable Mr. Richardson in care of the Canadian Embassy, Ankara, Turkey.

# foreign trade service abroad

*** No Foreign Trade Officer at this post.**
**Bentley's Second Phrase Code is used by Canadian Trade Commissioners.**

| Territory | Officer | City Address | Mail and Cables, Office Telephone |
|---|---|---|---|
| **Argentina** | C. S. Bissett,<br>Commercial Counsellor<br>W. F. Hillhouse,<br>Agricultural Secretary | Canadian Embassy,<br>Bartolome Mitre 478,<br>BUENOS AIRES | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* 33-8237 |
| **Australia**<br>(Capital Territory, New South Wales, Queensland, Northern Territory)<br>Dependencies | C. M. Croft,<br>Commercial Counsellor for Canada<br>C. M. Forsyth-Smith,<br>Assistant Commercial Secretary | City Mutual Life Building,<br>60 Hunter Street,<br>SYDNEY | *Mail:*<br>P.O. Box 3952 G.P.O.<br>*Cable:* CANADIAN<br>*Tel.:* BW 9351 |
| Australia<br>(Victoria, South Australia, Western Australia, Tasmania) | R. W. Blake,<br>Commercial Secretary for Canada and Agricultural Secretary | 83 William Street,<br>MELBOURNE | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* MU 4716 |
| **Belgian Congo**<br>Angola, French Equatorial Africa | A. B. Brodie,<br>Canadian Government Trade Commissioner | Forescom Building,<br>LEOPOLDVILLE 1. | *Mail:*<br>Bôite Postale 373<br>*Cable:* CANADIAN<br>*Tel.:* 2706 |
| **Belgium**<br>Luxembourg | T. J. Monty,<br>Commercial Secretary<br>K. G. Ramsay,<br>Assistant Commercial Secretary | Canadian Embassy,<br>35 rue de la Science,<br>BRUSSELS | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* 11-33-88 |
| **Brazil** | C. J. Van Tighem,<br>Commercial Secretary<br>T. F. Harris,<br>Assistant Commercial Secretary | Canadian Embassy,<br>Edificio Metropole,<br>Av. Presidente Wilson 165,<br>RIO DE JANEIRO | *Mail:*<br>Caixa Postal 2164<br>*Cable:* CANADIAN<br>*Tel.:* 42-4140 |
| Brazil | M. P. Carson,<br>Vice Consul and Acting Trade Commissioner | Canadian Consulate,<br>Edificio Alois,<br>Rua 7 de Abril 252,<br>SAO PAULO | *Mail:*<br>Caixa Postal 6034<br>*Cable:* CANADIAN<br>*Tel.:* 36-6301 |
| ***Ceylon** | Office of the High Commissioner for Canada | 6 Gregory's Road,<br>Cinnamon Garden,<br>COLOMBO | *Mail:* P.O. Box 1006<br>*Cable:* DOMCANADA<br>*Tel.:* 91341 |
| **Chile** | Commercial Secretary | Canadian Embassy,<br>6th Floor,<br>Av. General Bulnes, 129,<br>SANTIAGO | *Mail:* Casilla 771<br>*Cable:* CANADIAN<br>*Tel.:* 64189 |
| **Colombia**<br>Ecuador | W. J. Millyard,<br>Commercial Secretary<br>J. P. Lancaster,<br>Assistant Commercial Secretary | Canadian Embassy,<br>Avenida Jimenez No. 7-25,<br>Office 613,<br>BOGOTA | *Mail:* Apartado 1618<br>*Airmail:*<br>Apartado Aereo 3562<br>*Cable:* CANADIAN<br>*Tel.:* 12-251 |
| **Cuba** | G. A. Browne,<br>Commercial Secretary<br>W. R. Van,<br>Assistant Commercial Secretary | Canadian Embassy,<br>Edificio Motor Centre,<br>Calle Infanta 16,<br>HAVANA | *Mail:* Apartado 1945<br>*Cable:* CANADIAN<br>*Tel.:* UO-9457 |
| **Dominican Republic**<br>Haiti, Puerto Rico | R. E. Gravel,<br>Canadian Government Trade Commissioner | Edificio Copello 408,<br>Calle El Conde,<br>CIUDAD TRUJILLO | *Mail:* Apartado 451<br>*Cable:* CANADIAN<br>*Tel.:* 5318 |
| Dominican Republic<br>Haiti, Puerto Rico<br>Jamaica | E. M. Gosse,<br>Canadian Trade Commissioner (Fisheries) | | |

| Territory | Officer | City Address | Mail and Cables, Office Telephone |
|---|---|---|---|
| **Egypt**<br>Aden, Sudan, Cyprus, Ethiopia, Saudi Arabia | A. G. Kniewasser, Acting Canadian Government Trade Commissioner | Osiris Building,<br>Sharia Walda,<br>Kasr-el-Doubara,<br>CAIRO | *Mail:* P.O. Box 1770<br>*Cable:* CANADIAN<br>*Tel.:* 23110 |
| **France**<br>Algeria, French Morocco, French West Africa, Tunisia | B. C. Butler, Commercial Counsellor for Canada | 3 rue Scribe,<br>PARIS | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* OPEra 42-30 |
| | L. A. Campeau, Assistant Commercial Secretary | | |
| | J. H. Stone, Asssistant Commercial Secretary | | |
| **Germany**<br>Federal Republic | B. A. Macdonald, Commercial Counsellor | Canadian Embassy,<br>22 Zitelmannstrasse,<br>BONN | *Mail:* (City Address<br>*Cable:* CANADIAN<br>*Tel.:* Bonn 21971 |
| | I. V. Macdonald, Assistant Commercial Secretary | | |
| Germany | Wm. Van Vliet, Agricultural Secretary | | |
| **Greece**<br>Israel, Turkey | H. W. Richardson, Commercial Secretary | Canadian Embassy,<br>31 Vassilissis Sophias Ave.,<br>ATHENS | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* 72-853 |
| **Guatemala**<br>Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone | J. C. Depocas, Canadian Government Trade Commissioner | 5a Avenida Sud, 10-68<br>GUATEMALA CITY | *Mail:* P.O. Box 444<br>*Airmail:* P.O. Box 400<br>*Cable:* CANADIAN<br>*Tel.:* 5590 |
| | G. A. Cooper, Assistant Trade Commissioner | | |
| **Hong Kong**<br>China, Indo-China, Macao, Taiwan | T. R. G. Fletcher, Canadian Government Trade Commissioner | Hong Kong and Shanghai Banking Corporation Bldg.,<br>HONG KONG | *Mail:* P.O. Box 126<br>*Cable:* CANADIAN<br>*Tel.:* 28336 |
| | M. B. Blackwood, Assistant Trade Commissioner | | |
| **India** | Richard Grew, Commercial Counsellor | Office of the High Commissioner for Canada.<br>4 Aurangzeb Road,<br>NEW DELHI | *Mail:* P.O. Box 11<br>*Cable:* CANADIAN<br>*Tel.:* 40191 |
| India | D. M. Holton, Canadian Government Trade Commissioner | Gresham Assurance House,<br>Mint Road,<br>BOMBAY | *Mail:* P.O. Box 886<br>*Cable:* CANADIAN<br>*Tel.:* 20672 |
| | W. P. Birmingham, Assistant Trade Commissioner | | |
| **Indonesia** | W. D. Wallace, Commercial Secretary | Canadian Embassy,<br>Tanah Abang Timur 2,<br>DJAKARTA | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* Gambir 499 |
| **Ireland** | T. G. Major, Commercial Counsellor for Canada | 66 Upper O'Connell St.,<br>DUBLIN | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* 44251 |
| **Italy**<br>Libya, Malta, Yugoslavia | S. G. MacDonald, Commercial Counsellor | Canadian Embassy,<br>Via Saverio Mercadante 15,<br>ROME | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* 846-842 |
| | A. A. Caron, Assistant Commercial Secretary | | |
| Italy | C. F. Wilson, Agricultural Counsellor | | |
| Italy | M. S. Strong, Commercial Secretary (Fisheries) | | |

| Territory | Officer | City Address | Mail and Cables, Office Telephone |
|---|---|---|---|
| **Jamaica**<br>Bahamas,<br>British Honduras | M. B. Palmer,<br>Canadian Government<br>Trade Commissioner | Canadian Bank of<br>Commerce Chambers,<br>Kingston | *Mail:* P.O. Box 225<br>*Cable:* Canadian<br>*Tel.:* 2858 |
| **Japan**<br>Korea | J. C. Britton,<br>Commercial Counsellor | Canadian Embassy,<br>Tokyo | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* 48-4116 |
|  | R. F. Renwick,<br>Assistant Commercial<br>Secretary |  |  |
| Japan | Paul Sykes,<br>Canadian Government<br>Trade Commissioner | 7th Floor, Crescent Bldg.,<br>72 Kyomachi, Ikutaku,<br>Kobe | *Mail:* P.O. Box 513<br>*Cable:* Canadian<br>*Tel.:* 48966 |
| **Lebanon**<br>Iraq, Jordan, Syria | G. F. G. Hughes,<br>Canadian Government<br>Trade Commissioner | Centre Urbain Emir Beshir,<br>Bâtiment A1,<br>Rue Emir Beshir, L'Azarieh,<br>Beirut | *Mail:*<br>Bôite Postale 2300<br>*Cable:* Canadian |
| **Mexico** | M. T. Stewart,<br>Commercial Counsellor | Canadian Embassy,<br>Edificio Internacional,<br>Paseo de la Reforma,<br>Mexico, D. F. | *Mail:*<br>Apartado 126-Bis<br>*Cable:* Canadian<br>*Tel.:* 36-27-90 |
|  | S. G. Tregaskes,<br>Assistant Commercial<br>Secretary |  |  |
| **Netherlands** | V. L. Chapin,<br>Commercial Secretary | Canadian Embassy,<br>Sophialaan 1-A,<br>The Hague | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* 18-51-06 |
| Netherlands<br>Belgium, Denmark,<br>Luxembourg | C. J. Small,<br>Acting<br>Agricultural Secretary |  |  |
| **New Zealand**<br>Fiji, Western Samoa | L. S. Glass,<br>Commercial Counsellor | Office of the High Commissioner<br>for Canada, Government Life<br>Insurance Bldg.,<br>Wellington | *Mail:* P.O. Box 1660<br>*Cable:* Canadian<br>*Tel.:* 70-644 |
| **Norway**<br>Denmark, Greenland | J. L. Mutter,<br>Commercial Counsellor | Canadian Legation,<br>Fridtjof Nansens Plass 5,<br>Oslo | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* 33-30-80 |
| **Pakistan**<br>Afghanistan, Iran | R. K. Thomson,<br>Commercial Secretary | Office of the<br>High Commissioner for Canada,<br>Hotel Metropole, Victoria Rd.,<br>Karachi | *Mail:* P.O. Box 3703<br>*Cable:* Canadian<br>*Tel.:* 5826 |
| **Peru**<br>Bolivia | H. J. Horne,<br>Commercial Secretary | Canadian Embassy,<br>Edificio Boza, Carabaya 831,<br>Plaza San Martin,<br>Lima | *Mail:* Casilla 1212<br>*Cable:* Canadian<br>*Tel.:* 71150 |
| **Philippines** | F. H. Palmer,<br>Consul General<br>and Trade Commissioner | Canadian Consulate General,<br>Ayala Building,<br>Juan Luna Street,<br>Manila | *Mail:* P.O. Box 1825<br>*Cable:* Canadian<br>*Tel.:* 3-33-35 |
|  | H. E. Lemieux,<br>Vice Consul and<br>Assistant Trade<br>Commissioner |  |  |
| **Portugal**<br>Azores, Madeira | L. M. Cosgrave,<br>Commercial Counsellor | Canadian Legation,<br>Avenida de Praia da Vitoria,<br>48—1°D.,<br>Lisbon | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* 53117 |
| **Singapore**<br>Brunei, Burma,<br>Federation of<br>Malaya,<br>North Borneo,<br>Sarawak, Thailand | D. S. Armstrong,<br>Canadian Government<br>Trade Commissioner | Room D-5, Union Building,<br>Singapore | *Mail:* P.O. Box 845<br>*Cable:* Canadian<br>*Tel.:* 7739 |
| **South Africa**<br>(Natal, Transvaal)<br>Federation of<br>Rhodesia and<br>Nyasaland,<br>Mozambique, Kenya,<br>Tanganyika,<br>Uganda, Zanzibar | K. F. Noble,<br>Canadian Government<br>Trade Commissioner | Mutual Building,<br>Harrison Street,<br>Johannesburg | *Mail:* P.O. Box 715<br>*Cable:* Cantracom<br>*Tel.:* 33-2628 |
|  | H. E. Campbell,<br>Assistant Trade<br>Commissioner |  |  |

| Territory | Officer | City Address | Mail and Cables, Office Telephone |
|---|---|---|---|
| South Africa (Cape Province, Orange Free State), Southwest Africa, Mauritius, Madagascar | A. W. Evans, Canadian Government Trade Commissioner | Grand Parade Centre Bldg., Adderley Street, Cape Town | *Mail:* P.O. Box 683<br>*Cable:* Cantracom<br>*Tel.:* 2-5134/5 |
| **Spain**<br>Balearic Islands, Canary Islands, Gibraltar, Rio de Oro, Spanish Morocco, Tangier | E. H. Maguire, Commercial Secretary | Canadian Embassy, Edifico España, Avenida de Jose Antonio 88, Madrid | *Mail:* Apartado 117<br>*Cable:* Canadian<br>*Tel.:* 22-28-10 |
| **Sweden**<br>Finland | F. W. Fraser, Commercial Counsellor | Canadian Legation, Strandvagen, 7-C, Stockholm | *Mail:* P.O. Box 14042<br>*Cable:* Canadian<br>*Tel.:* 67-92-15 |
| **Switzerland**<br>Austria, Czechoslovakia, Hungary | Yves Lamontagne, Commercial Counsellor<br>W. R. Hickman, Assistant Commercial Secretary | Canadian Embassy, Kirchenfeldstrasse 88, Berne | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* 4-63-81 |
| **Trinidad**<br>Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, French West Indies | P. V. McLane, Canadian Government Trade Commissioner<br>R. R. Parlour, Assistant Trade Commissioner | Colonial Building, 72 South Quay, Port-of-Spain | *Mail:* P.O. Box 125<br>*Cable:* Canadian<br>*Tel.:* 34787 |
| **United Kingdom**<br>(South of England, East Anglia, Scotland), Iceland, British West Africa (Gambia, Gold Coast, Nigeria, Sierra Leone) | R. P. Bower, Commercial Counsellor<br>R. Campbell Smith, Commercial Secretary<br>T. M. Burns, Assistant Commercial Secretary<br>W. G. Pybus, Assistant Commercial Secretary | Office of the High Commissioner for Canada, Canada House, Trafalgar Square, London, S.W.1 | *Mail:* (City Address)<br>*Cable:* Sleighing<br>*Tel.:* Whitehall 8701 |
| United Kingdom | D. A. B. Marshall, Commercial Secretary (Agricultural) | | |
| United Kingdom | G. H. Rochester, Commercial Secretary (Timber) | | *Cable:* Timcom |
| United Kingdom (Midlands, North England, Wales) | M. J. Vechsler, Canadian Government Trade Commissioner | Martins Bank Building, Water Street, Liverpool | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* Central 0625 |
| United Kingdom (Northern Ireland) | T. G. Major, Canadian Government Trade Commissioner | 36 Victoria Square, Belfast | *Mail:* (City Address)<br>*Tel.:* 21867 |
| **United States**<br>Delaware, Maryland, Virginia, West Virginia | R. G. C. Smith, Commercial Counsellor<br>S. V. Allen, Commercial Counsellor | Canadian Embassy, 1746 Massachusetts Ave., N.W. Washington, 6. D.C. | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* DEcatur 2-1011 |
| United States | Dr. W. C. Hopper, Agricultural Counsellor<br>W. L. Porteous, Assistant Agricultural Secretary | | |

| Territory | Officer | City Address | Mail and Cables, Office Telephone |
|---|---|---|---|
| United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda, Liberia | Deputy Consul General and Trade Commissioner<br>C. R. Gallow, Consul and Trade Commissioner<br>C. E. Butterworth, Vice Consul and Assistant Trade Commissioner | Canadian Consulate General,<br>620 Fifth Ave.,<br>New York City 20 | *Mail:* (City Address)<br>*Cable:* Cantracom<br>*Tel.:* JUdson 6-2400 |
| United States | M. B. Bursey, Consul and Trade Commissioner (Fisheries) | Canadian Consulate General,<br>620 Fifth Ave.,<br>New York 20, N.Y. | *Mail:* (City Address)<br>*Cable:* Cantracom<br>*Tel:* JUdson 6-2400 |
| United States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire) | D. H. Cheney, Vice Consul and Trade Commissioner | Canadian Consulate General,<br>532 Little Building,<br>80 Boylston Street,<br>Boston 16 | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* HAncock 6-4320 |
| United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri) | R. V. N. Gordon, Vice Consul and Trade Commissioner | Canadian Consulate General,<br>Chicago Daily News Bldg.,<br>400 West Madison Street,<br>Chicago 6 | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* STate 2-7312 |
| United States (Michigan, Ohio) | A. E. Bryan, Consul and Trade Commissioner<br>J. H. Bailey, Vice Consul and Assistant Trade Commissioner | Canadian Consulate,<br>1035 Penobscot Building,<br>Detroit 26 | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* WOodward 5-2811 |
| *United States (City of Los Angeles, Southern California, Arizona) | Consul General | Canadian Consulate General,<br>510 West Sixth Street,<br>Los Angeles 14 | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* VAndike 2233 |
| United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida) | G. A. Newman, Consul and Trade Commissioner<br>C.O.R. Rousseau, Vice Consul and Assistant Trade Commissioner | Canadian Consulate,<br>215-217 International Trade Mart,<br>New Orleans 12 | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* RAymond 2136 |
| *United States (Northern California, Wyoming, Nevada, Utah, Colorado, New Mexico), Hawaii | Consul General | Canadian Consulate General,<br>3rd Floor, Kohl Building,<br>400 Montgomery Street,<br>San Francisco 4 | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* SUtter 1-3039 |
| *United States (Oregon, Idaho, Washington, Montana), Alaska | Consul General | Canadian Consulate General,<br>The Tower Building<br>Seventh Avenue at Olive Way,<br>Seattle 1, Washington | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* MUtual 3515 |
| **Uruguay**<br>Paraguay | W. Gibson-Smith, Commercial Secretary | Canadian Embassy,<br>Montevideo | *Mail:* Casilla Postal 852<br>*Cable:* Canadian |
| **Venezuela**<br>Netherlands Antilles | J. A. Stiles, Commercial Secretary<br>F. B. Clark, Assistant Commercial Secretary | Canadian Embassy,<br>Edificio Pan American,<br>Puente Urapal,<br>Caracas | *Mail:* Apartado 3306<br>*Cable:* Canadian<br>*Tel.:* 55818 |
| Venezuela<br>Colombia | D. B. Laughton, Acting Agricultural Secretary | | |

*The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.*

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·01943.

# foreign exchange rates

| Country | Unit | Type of Exchange | Canadian dollar equiv. April 15 | Notes (See below) |
|---|---|---|---|---|
| Argentina | Peso | Preferential buying | ·1307 | |
| | | Basic buying | ·1962 | |
| | | Preferential selling | ·1962 | (1) |
| | | Basic selling | ·1307 | |
| | | Free | ·07061 | |
| Austria | Schilling | | ·03773 | |
| Australia | Pound | | 2·2125 | |
| Belgium Luxembourg & Belgian Dependencies | Franc | | ·01947 | |
| Bolivia | Boliviano | Official | ·00516 | |
| British West Indies | Dollar | | ·5762 | (3) |
| | Pound | | 2·7656 | (4) |
| | Dollar | Brit. Honduras | ·6914 | |
| Brazil | Cruzeiro | Official selling | ·05212 | tax 8% |
| | | Effective buying | ·03459 | (2) |
| | | Coffee buying | ·04199 | (5) |
| Burma | Kyat | | ·2060 | |
| Ceylon | Rupee | | ·2074 | |
| Chile | Peso | Official | ·00892 | (1) |
| Colombia | Peso | Basic | ·3924 | |
| Costa Rica | Colon | Official | ·1747 | (6) |
| | | Controlled free | ·1477 | |
| Cuba | Peso | | ·9809 | tax 2% |
| Czechoslovakia | Koruna | | ·1362 | |
| Denmark | Krone | | ·1420 | |
| Dominican Republic | Peso | | ·9809 | |
| Ecuador | Sucre | Official | ·06540 | |
| | | Free | ·05667 | |
| Egypt | Pound | | 2·8168 | |
| Fiji | Pound | | 2·4916 | |
| Finland | Markka | | ·00426 | |
| France | Franc | | ·00280 | (7) |
| French Africa | Franc | | ·00561 | (8) |
| French Pacific | Franc | | ·01543 | (9) |
| Germany | D Mark | | ·2336 | |
| Greece | Drachma | | ·000033 | |
| Guatemala | Quetzal | | ·9809 | |
| Haiti | Gourde | | ·1962 | |
| Honduras | Lempira | | ·4905 | |
| Hong Kong | Dollar | Free | ·1688 | *April 2 |
| Iceland | Krona | Official | ·06023 | |
| | | Special buying | ·04638 | |
| | | Special selling | ·03737 | |
| India | Rupee | | ·2074 | |
| Indonesia | Rupiah | Basic | ·08605 | (10) |
| Iran | Rial | Certificate | ·01087 | |
| Iraq | Dinar | | 2·7466 | |

---

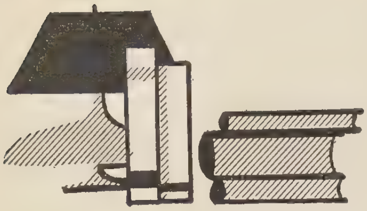
* Latest available quotation date.

| Country | Unit | Type of Exchange | Canadian dollar equiv. April 15 | Notes (See below) |
|---|---|---|---|---|
| Ireland | Pound | | 2·7656 | |
| Israel | Pound | Effective basic | ·9809 | |
| | | Premium | ·5450 | |
| Italy | Lira | | ·00157 | |
| Japan | Yen | | ·00272 | |
| Lebanon | Pound | Free | ·3037 | |
| Mexico | Peso | | ·1134 | |
| Netherlands | Guilder | | ·2591 | |
| Netherlands Antilles | Guilder | | ·5202 | |
| New Zealand | Pound | | 2·7656 | |
| Nicaragua | Cordoba | Effective buying | ·1486 | (11) |
| | | Official selling | ·1391 | |
| | | With Surcharge I | ·1218 | |
| | | With Surcharge II | ·09760 | |
| Norway | Krone | | ·1373 | |
| Pakistan | Rupee | | ·2965 | |
| Panama | Balboa | | ·9809 | |
| Paraguay | Guarani | Basic | ·06540 | (1) |
| | | With Surcharge I | ·04671 | |
| | | With Surcharge II | ·03270 | (12) |
| Peru | Sol | Certificate | ·05083 | |
| Philippines | Peso | | ·4905 | tax 17% (2) |
| Portugal | Escudo | | ·03423 | (13) |
| El Salvador | Colon | | ·3924 | |
| Singapore & Malaya | Straits dollar | | ·3227 | |
| South Africa (Union of) | Pound | | 2·7656 | |
| Spain & Dependencies | Peseta | Basic buying | ·04479 | |
| | | Basic selling | ·08742 | |
| | | Basic commercial selling | ·05972 | (1) |
| | | Free | ·02518 | |
| Sweden | Krona | | ·1896 | |
| Switzerland | Franc | | ·2287 | |
| Syria | Pound | Free | ·2708 | *March 9 |
| Thailand | Baht | Official | ·07848 | (1) |
| | | Free | ·04732 | *Feb. 19 |
| Turkey | Lira | | ·3503 | |
| United Kingdom | Pound | | 2·7656 | |
| United States | Dollar | | ·9809 | |
| Uruguay | Peso | Official | ·6458 | |
| | | Basic buying | ·5511 | |
| | | Special buying | ·4174 | (1) |
| | | Basic selling | ·5162 | |
| | | Special selling | ·4004 | |
| Venezuela | Bolivar | | ·2928 | (14) |
| Yugoslavia | Dinar | | ·00327 | |

* Latest available quotation date.

# notes

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only; certain essential imports exempt.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Brazil: Effective import rate is official rate plus free certificate rate. Certificate rate varies according to commodity.
6. Costa Rica: Official rate applies to all Costa Rican exports.
7. Metropolitan France, Algeria, Tunisia, Morocco, French Guiana, Guadeloupe, Martinique.
8. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
9. New Caledonia, New Hebrides, Oceania.
10. Indonesia: Basic rate applies to all exports and essential imports. Rupiah value for other than essential imports is reduced by 33⅓ per cent, 100 per cent or 200 per cent depending on product.
11. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
12. Paraguay: Basic rate applies to most Paraguayan exports.
13. Approximately same rate for currencies of Portuguese Territories in Africa.
14. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.



# businessman's bookshelf

### The Dollar

*By Roy Harrod. 156 pages. $2.00.*

THIS MATERIAL first appeared in 1953 in the United Kingdom as a reprint of the Sir George Watson lectures. The first chapter provides a history of the evolution of the United States dollar, the second deals with the Federal Reserve System, the third with the United States dollar as an international currency, and the fourth with the postwar dollar problem. The last chapter will probably be of most interest to Canadian businessmen. It gives a well-rounded summary of the causes of the dollar gap, together with Mr. Harrod's own views about what action might be taken to correct the imbalance. Mr. Harrod argues for a rise in the price of gold and puts forward arguments for the establishment of convertibility with the maintenance of quantitative import restrictions.

*Order from: the Macmillan Company of Canada, 70 Bond Street, Toronto.*

### Trade Mark Laws throughout the World

*By P. O. Hereward. 210 pages. $5.75.*

IN THIS "SMALL REFERENCE BOOK" on trade mark law the author has drawn largely on his experience as an employee of the Trade Marks Section of the Legal Department of Imperial Chemical Industries, Limited. He discusses the trade mark laws of each country under nine headings: introductory, conventions, documents required for application, classification, office procedure, opposition, maintenance, renewal, and assignment and licensing. Such a brief treatment serves to answer the most common and basic questions but a good deal of information is necessarily omitted. The section on Canada gives no information on symbols that may not be registered, nor does it mention the unfair competition laws. Readers should also note that the sample application form in the book differs from the official Canadian form.

Though the author discusses some aspects of the Act recently passed by the Canadian Parliament (but not yet law) he omits to mention other new sections such as the ability to register services. Judging by the section on Canada, the book provides useful information on the basic regulations governing a country's trade mark laws. But, on the same basis, it is hard to justify the author's suggestion that it be used in the preparation of an application.

*Order from: The Carswell Company Ltd., 145 Adelaide Street West, Toronto.*

### Nigeria Trade Journal

*Department of Commerce and Industries, Lagos. Annual subscription $1.00, post free.*

TRADERS with a particular interest in British West Africa will find this magazine an excellent way of keeping in touch with developments there. Launched in January 1953, the *Journal* is now issued quarterly. Each number reports on freight rates, trade statistics, newly registered companies, legislation which affects business, market conditions, trade opportunities, and so on. Special articles feature the industries of the territory, development programs, and other pertinent subjects.

*Order from: Crown Agents for the Colonies, 1800 K Street, N.W., Washington, D.C.*

### Commonwealth Stocktaking

*By L. St. Clare Grondona. 336 pages. $7.00.*

THIS BOOK, as the title implies, surveys the principal commodities and services of the Commonwealth. The author provides a non-technical description of the products, their uses, their production in the various Commonwealth countries, the factors affecting production and their importance in Commonwealth and world trade. The group of commodities treated are food and feeding stuffs (such as grain, meats and sugar); industrial materials (such as fibres, steel, non-ferrous metals and lumber); fuel and power, and services (such as investments, shipping and insurance). The book is up to date, usually with 1952 statistics, has a comprehensive index, and is satisfactorily supplied with well laid out charts and tables.

*Order from: Butterworth & Co. (Canada) Ltd., 1367 Danforth Avenue, Toronto.*

going places . .

going

to the

trade

fair*

TORONTO
MAY 31-
JUNE 11

*THE CANADIAN INTERNATIONAL TRADE FAIR
IS OPERATED BY THE GOVERNMENT OF CANADA
TO PROMOTE YOUR BUSINESS

MAY 15, 1954

# foreign trade

HOW'S BUSINESS in CENTRAL AMERICA?

2 How's Business in Central America?
4 Greece as a Market for Fish
6 Asbestonos Sells Abroad
8 General Notes
10 Ireland and Its Foreign Trade
12 Argentine Agriculture Aids Recovery
15 Fairs and Exhibitions
17 Credit Conditions in the Commonwealth
18 Assessing the Automotive Market
19 Diesels for Argentina
20 If Business Takes You to France
22 The Italian Machine Tool Industry
23 Commodity Notes
25 Doing Business with the Belgian Government
27 Business and the Brussels Fair
28 Trade and Tariff Regulations
30 Trade Commissioners on Tour
31 Head Office Directory
34 Foreign Exchange Rates
36 Transportation Notes

CANADA

# foreign trade

Established in 1904

Published fortnightly by the Department of Trade and Commerce.
The Right Honourable C. D. HOWE, Minister,
WM. FREDERICK BULL, Deputy Minister.

**OTTAWA, MAY 15, 1954, Vol. 101, No. 8**

Please forward all subscriptions and orders to:
The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad.
Single copies: 20 cents each.

Material appearing in this magazine may be freely reprinted, preferably giving credit to "Foreign Trade"

**cover** Pictured here in the early stages of construction in 1952, the Rio Lempa dam in El Salvador will be completed later this year; will help to overcome the country's electric power shortage and stimulate industrial development. For more information on El Salvador and on the other Central American countries, turn to page two.

—Photo by United Nations

# How's Business in Central America?

*Terms of trade today favour the five Central American republics, where good returns from agriculture sustain prosperity. Keen competition among suppliers characterizes this market at the moment.*

GLEN A. COOPER, *Assistant Trade Commissioner, Guatemala City.*

BUSINESS CONDITIONS in the five countries of Central America are good but Canadian exporters, already handicapped by unsatisfactory shipping facilities, find that competition is keen. European powdered milk, canned meats, electric wire, telephones, water meters, kitchenware and roofing sheets are being sold at prices which North American firms cannot always meet. But in flour, fish, drugs, automotive supplies, household appliances and chemicals, it is still American firms which win most of the business.

United States and European suppliers outdo each other in salesmanship, service, credit terms and advertising; Canadian exporters are apt to pay less attention to these and especially to advertising. The reason in many cases is that low price and a small volume of sales leave no margin for such promotion; in others, it is merely neglect or lack of personal contact with the market. There are, of course, always some Canadian firms which have a competitive product and are pushing it with skill and success.

With coffee prices soaring and the price of imports stabilized, the terms of trade are more favourable than ever for Central America. The present pace of development and prosperity is expected to continue in spite of the much smaller current coffee crop in El Salvador and Costa Rica. New projects in highway and port construction are planned and imports are still rising.

### El Salvador: Coffee Crop Smaller

Drought and insect pests cut down recent crops of coffee, corn and rice. Cotton exports are down because of reduced acreage last year and a warehouse fire in February which consumed the remainder of exportable stocks. The present coffee crop, 35 per cent below last year's excellent yield, was mostly sold or committed before the price rise of December and January. Sales contracts have already been made for some of next year's coffee, the earliest advance sales in El Salvador's history.

These agricultural reverses will undoubtedly affect imports and collections this year until the next coffee crop in December, but the financial condition of the country is sound. Gold and net foreign exchange holdings of $45 million are now six times prewar. The budget for 1954 is set at $60·8 million, an increase of $4 million over last year, and this increase is earmarked for the building of new schools.

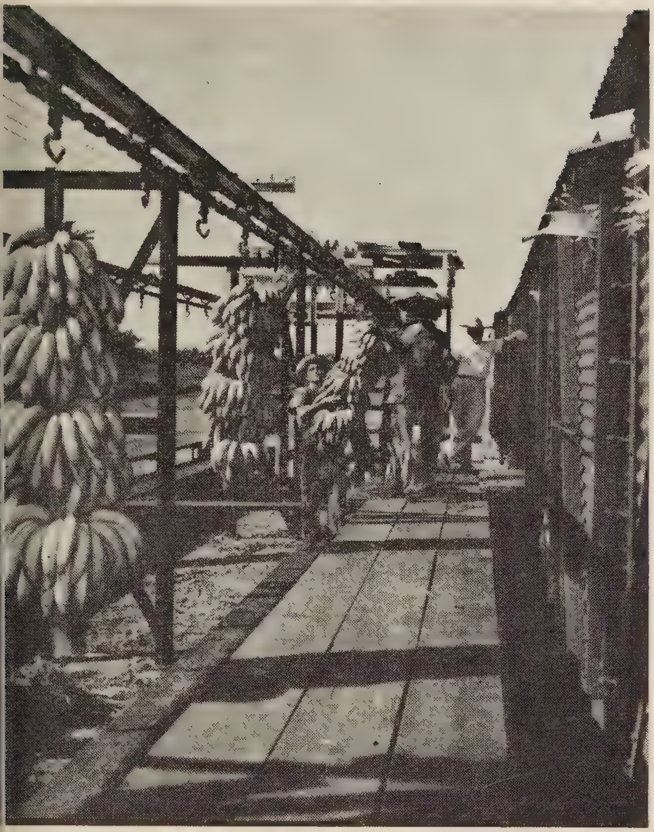
Industrial development has not progressed as fast as some people hoped, in spite of the Government's free import permits for capital equipment. The preference of local capital for agriculture rather than industry is one of the factors. Another factor will be removed when the electric power shortage is overcome by the advent of Rio Lempa power about mid-year.

The construction rate is still climbing and the cement plant built in 1952 is to have its capacity doubled. Tenders have been called for three new telephone exchanges of 10,000 lines each for the suburbs of the capital. Engineers from a New York firm are boring test holes at the ports of Acajutla and La Union, a first step in the construction of a first class national port. Plans to build a road from San Salvador through Honduras to Puerto Cortez have been discussed with Honduras; this would give El Salvador an outlet on the Caribbean independent of the railroad through Guatemala.

### Nicaragua: Boom Continues

Ever since export earnings doubled in two years ($23·7 million in 1949, $46·2 million in 1951), agriculture, trade and construction in Nicaragua have been progressing at a boom pace. Business is not expected to slacken this year, although exports in 1953 did not match 1952's record $51·3 million. Coffee income will be maintained because the sharp rise in world prices early in January will more than compensate for any decline in current yield.

Credit expanded considerably last year and prices, which had levelled, started to rise again. Merchants are well stocked but no signs of inventory reductions or decreased imports have appeared. Importers still must deposit their funds in the National Bank in advance in order to obtain an import permit, so that



—United Fruit Co.

*Bananas from a Costa Rican plantation are being lifted down from the mechanical fruit-washing machine and loaded on railway cars for speedy shipment to the seaport.*

speedy delivery of orders is important. Government finances are sound and the new income tax has helped to pay for new projects and debt amortization.

Nicaragua now leads the Central American countries in the production of row crops, in farm mechanization and in diversification of agriculture. First sesame seed and then cotton were the lodestars of this agricultural revolution. Cotton and sesame exports were valued at $11 million in 1952, compared with less than $1 million a year during the war. Other export products include rice, sugar, corn, cattle, timber, cotton seed and beans. Gold, once the major export, now ranks second to coffee.

A system of farm-to-market roads will be financed by a second loan of $3·5 million from the International Bank for Reconstruction and Development. The first loan in 1951, for the same amount, was used to build trunk highways to connect the major cities and ports of the west coast. Other major projects under way or planned are: railroad improvement with equipment from Germany; an automatic telephone system and another diesel electric generator for the capital city; completion of a road to the east coast, started during the war; additional port facilities at Corinto, and eventually a major hydro project in the interior. Private construction is keeping pace and modern business blocks and residences are going up.

### Honduras: Imports May Decline

Imports into Honduras have been running at $55-60 million a year but orders are expected to decline in 1954, demonstrating the usual business caution in an election year. The tariff preference for U.S. goods continues to act as a barrier against Canadian flour, milk, sardines and other foodstuffs, but does not seriously affect wheat, leather, paper, aluminum and metalwares. Canadian wheat is expected to start moving again to the three flour mills. There is only a small market in this country for electrical appliances and other luxuries.

Rather late to get into the postwar coffee boom, farmers are now reaping the first crop from trees planted five years ago. The current crop of about 400 thousand quintals should be worth about $25 million. However, the banana business is still the mainstay of the economy and the two American fruit companies the largest enterprises.

There is much to be done in developing agriculture, roads and education. A satisfactory start has been made in recent years within the limit of the Government's finances, which are sound. During the fiscal year 1952-53, revenues totalled $25·2 million and the last of the external debt was cancelled, leaving less than $4 million internal debt. The budget for the current year is balanced at $32 million.

### Costa Rica: Tariffs Increased

This is a year of uncertainty for Costa Rica, marked by drastically increased tariffs effective April 1st* and a short coffee crop. As 1953 was one of the best years in the history of Costa Rican agriculture and business, the contrast is rather striking and pessimism in the business community is apparent.

Imports for the rest of the year will probably be below normal, especially of those products which were overstocked just before the tariff increases.

Canadian exports on which duties have been raised include leather, codfish, salmon, milk, oatmeal, malt, wrapping paper and bags, plastic and rubber hose, typewriters, ammunition, textiles, and aluminum. Duties on wheat and flour remain unchanged.

The new government which took office in November is committed to a new-deal program of housing and social reform which may require an external loan. In the meantime, it is re-negotiating the contract of the

---

* Businessmen who wish further details about the new Costa Rican tariff should write to the International Trade Relations Branch of the Department.

United Fruit Co. so that the Treasury can receive additional revenue from this source. Other innovations are the new Ministry of Security (police) and the opening of a trade office in Paris, with the intention of re-developing trade with Europe lost during the war.

### Guatemala: Banana Exports Recover

The series of tariff increases, surcharges and import restrictions, and the labour problems of Guatemalan business, are expected to affect the volume of imports more this year than they did last. In 1953 government imports of construction equipment and of material for the National Fair made up for the loss of sales of agricultural machinery, automobiles and major appliances, but this year the total is expected to be down to about the $75 million of 1952. Food, drug and other essential imports should remain normal.

Collections are slower and longer terms of payment are more common than two years ago. Germany has now recovered the second place among Guatemala's trading partners, with the United States still leading by a huge margin. Competition from other European countries is also widely felt. Coffee exports and exchange reserves have been well maintained, although the sight liabilities of the Bank of Guatemala increased 23 per cent in the twelve months to the end of January.

The distribution of expropriated estates among the peasants is continuing and their need for short-term crop credit is to be met by the National Agrarian Bank opened six months ago. Corn is the peasant's staple crop and the Government expected a large surplus for export last autumn. However, in the face of a shortage which caused local prices to spiral at the end of the year, it had to cancel supply commitments.

Two new government banks are planned, one for industry and the other for foreign trade. The income tax proposal has not yet been made law. Construction of the national port of Santo Tomas and of the Atlantic highway leading to it continues on schedule.

Banana exports recovered last year from the poor showing in 1952, when hurricanes and labour troubles seriously reduced shipments. The principal fruit company shipped six million banana stems in 1953 compared with three million in 1952. However, government expropriation of land to be used for banana crop rotation may force the company in future to rely more on private planters for their supplies.

# GREECE *as a market for fish*

*Canadian codfish sells well in Greece but our share of this growing market could be improved by more competitive prices and easier payment terms.*

H. W. RICHARDSON, *Commercial Secretary, Athens.*

CONSUMPTION OF FISH IN GREECE is increasing steadily and, in spite of a record catch in 1953, imports have continued high and demand steady. Because his standard of living is rising, the Greek farmer can afford to eat more seafood, but inadequate refrigeration and transportation facilities limit the markets where fresh fish can be sold. Sales of imported canned and salted fish continued steady, especially in the mountainous areas; the small decline in imports during the first eleven months of 1953 was not the result of slackening demand, but of the import restrictions which were in force until April and of the new high cost of foreign currencies after April.

### Opportunity for Canadian Codfish

Wet salted codfish is a great favourite among the Greeks and the Canadian Government's decision to send part of the $500 thousand grant voted for the Ionian Islands earthquake victims in the form of 800 tons of Labrador wet salted cod was well received, except by the importers of the Scandinavian product. Because of the import restrictions in effect until last April and, recently, the more competitive prices and the c.a.d. terms offered by European suppliers, Canada's share in the Grecian market has been seriously limited. However, under the present liberal foreign trade regime, Canadian suppliers may find it worthwhile to revise terms and prices quoted to Greek importers in order to resume their exports to this growing market.

Before the war, Greece imported about 1,000 tons a year of Labrador-cure wet salted codfish. Present salt codfish demand in Greece exceeds 1,000 tons a month, but dry salted accounts for less than 10 per cent and only negligible amounts have come from Canada since the war, except for gift shipments. The big difficulty now will be to overcome the change in taste and buying habits which has followed the long absence from this market of the Canadian or Labrador cure of cod.

On the other hand, since freedom from the last remaining foreign exchange and import controls was granted last July, Canadian canned salmon has already regained its former leading place among the limited imports of this luxury fish product. There are good opportunities also for low-priced canned herring and sardines in oil.

### The Greek Fishing Industry

With a coastline longer in proportion to its area than that of any other country in the world and its archipelago of hundreds of islands, Greece is a country of many seafarers and fishermen. The fishing fleet today has 8,500 small fishing craft and 750 trawlers and seiners, as compared with 6,500 and 500 in 1939. The first postwar efforts to rebuild the Greek fishing industry were undertaken by UNRRA in 1946 and later were continued with American aid. Supplies, equipment and craft worth $7 million were imported and distributed; local private capital added another 40 per cent to this investment. The results have been rapid and gratifying. New and larger craft now extend their fishing expeditions to Cyprus, Sicily and the northern coast of Africa, and three large ships with modern refrigeration are fishing in the Atlantic. All these developments have produced larger and better supplies of fresh fish and have kept prices lower, in spite of a relatively inefficient distribution system within the country.

### Fish Exchange at Piraeus

A new fish exchange is being completed in the Port of Piraeus with modern facilities to handle 300 tons of fresh and frozen fish; plans have been made for similar facilities in five other ports. Legislation has been enacted and successfully enforced to protect the spawn and fry during the breeding season, and new fishing banks have been discovered and mapped. Deep-sea and coastal catches reached a record of 50,000 tons in 1953—double the prewar level and 20 per cent higher than in 1952. With more new craft soon to be put into commission, the industry looks forward to an annual catch of 80,000 tons in a few years' time. Lakes, streams and rice plantations, especially in Northern Greece, have been successfully restocked with trout and carp spawn and fry imported from Switzerland.

### Distribution Facilities Needed

Lack of transportation and refrigeration facilities on land still limit the markets where fresh fish can be sold. The Greek farmer, living only a few miles from the sea, usually has to resort to canned or salted fish for his relished seafood. The local fish canning industry has made some progress, but foreign competition and meagre supplies of the raw material will continue to limit expansion in this direction. Therefore, Greece will continue to depend on imports for a considerable portion of its fish supplies until it can make the large investment in refrigeration, transportation and a wholesale-retail distribution system needed to extend the present limited market areas for fresh fish.

*This Greek fisherman mending his net illustrates the country's continuing need for fishing craft and equipment, despite the steady progress made in rehabilitation since the end of the war.*

### Main Suppliers

Denmark (Greenland), Iceland, the United Kingdom and Norway were Greece's chief suppliers of the 19,000 tons of canned and salted fish imported during the first eleven months of 1953. Codfish accounted for 10,900 tons, of which only four tons came from Canada. Higher prices, further increased by high ocean freight rates, have recently kept Canadian suppliers out of the Greek market and c.a.d. terms from Europe are now an important new factor. With Greece's surplus of dollar exchange sufficiently high to afford purchases from either Europe or the dollar area, and with the demand expected to increase, Canadian suppliers might well review prices and terms of payment quoted to Greek and other Mediterranean importers.

### Tour of Territory

Kenneth F. Noble, Trade Commissioner at Johannesburg, will make a tour of the Federation of Rhodesia and Nyasaland during the month of June. Businessmen in Canada who are interested in trade with this area should write to Mr. Noble airmail. The address: Mutual Building, Harrison Street, Johannesburg.

# Asbestonos Sells Abroad

*Second in our series of export "case histories", here is the story of a Quebec firm which fashions the asbestos of the famous Thetford Mines into many products—and which maintains its exports at all costs.*

H. LESLIE BROWN, *Director, Information Branch.*

ONE DAY IN 1918, M. Joseph Poulin drove into one of the few small garages then doing business at Thetford Mines, Quebec. Proud of his new *McLaughlin* purchased only two months before, he was dumbfounded when he was told that the brake linings were already worn out. The cost of renewal was high and the quality of the lining mediocre. Then and there he decided to start manufacturing a better brake lining at a lower price.

M. Poulin had long wished to launch a business making asbestos products. Earlier he had operated an asbestos mine but with small success because the market for asbestos fibre in Canada was then a restricted one. He had also had some experience in the weaving business. With these assets, and with a firm belief in the future of the automobile, he began the production of brake lining.

### Launching the Company

The new company, Asbestonos Corporation, was founded in 1920. Operations began in a small wooden building in East Broughton which M. Poulin had formerly used as a woollen mill. Soon he discovered that his was the first factory in Canada to card and spin asbestos and weave the resulting yarn into brake lining.

His progress was slow at first and the inevitable problems appeared, but M. Poulin persevered. As the number of automobiles increased and highways improved, Asbestonos made a name for itself. Within eight years domestic and export business had increased to the point where the original mill was inadequate and the factory was moved in 1928 to St. Lambert, near Montreal. Today the plant provides work for 284 employees and covers 98,950 square feet of floor space. The company now has sales branches across Canada.

### Getting into Export

And what of export? Asbestonos has gradually developed an export department suited to its needs. This department has long been under one of M. Joseph Poulin's three sons, E. B. Poulin, who has gained his knowledge of export routines and formalities through long experience with his father's company. He was delighted to be asked when his company started exporting. "Right from the very beginning in 1920," he was prompt to reply—and went on, "In fact, our first export shipment went to England and little by little we became interested in other export markets". He then gave an interesting footnote to automobile history: "In those days the majority of cars in Canada had to be laid up all winter because highways were not kept clear of snow. During the long winter months, export orders were more than welcome to compensate for the slack winter buying".

### Foreign Sales in Thirties

The export volume grew slowly but steadily from 1920 to 1928, when sales abroad averaged about 15 per cent of total output. At that time Asbestonos exported to fifteen foreign countries. They prefer as wide a range of markets as possible, rather than dealing with a few because "we cannot be hurt so badly should any country be cut off as a market due to exchange or import restrictions".

Business in the depression years brought little profit but export kept the plant in operation. In fact, M. Poulin is frank to say that export sales actually saved the company from going under. By 1934 and 1935 exports constituted a third of total sales and from 1936 to 1939 ranged from 31 to 40 per cent of all sales. The Second World War brought a rapid decline to 20 per cent in 1940 and on down to less than one per cent of total sales in 1944. The company was, of course, producing almost altogether for the armed forces.

### Postwar Exports

But Asbestonos kept in constant touch with its customers abroad. As soon as the war was over, it pushed export sales up again—to 12 per cent in 1945 and to 30 per cent in 1947. Despite exchange and other obstacles, it continued to export and the percentage of gross sales going to foreign markets has ranged from 11 per cent in 1949 to 24 per cent in 1951 to 11 per cent in 1953. Total turnover in 1953 was eleven times that in 1938 so that percentage exported today bulks far larger than before the war.

### Principal Products

Asbestonos offers a complete line of friction materials, available in rolls or cut-to-fit segments, in the woven, rigid or semi-rigid form, to meet the various requirements of passenger cars, trucks, buses, tractors, hoist cranes, etc. Each type of brake lining and clutch facing has been carefully developed to serve a specific purpose.

Before a new product is announced, Asbestonos devotes a year or more to extensive research in collaboration with brake and car manufacturers—in laboratories, on test cars, on proving grounds and in normal use by critical drivers. Brake lining is now moulded rather than woven. The method of fastening to brake shoes by rivets is gradually being replaced by bonding; bonded brake linings are "pre-cemented".

Asbestonos also manufactures a wide range of clutch facings, available in woven, braided and moulded forms. All are made from high-grade asbestos specially impregnated and compressed into dense flat rings, ground and drilled, according to manufacturers' specifications. Other asbestos products brought into production since that distant day in 1920 include yarn, cloth, tape, listing, oil burner wick, blocks, moulded and woven sheet stock, and various packings. The company also makes hydraulic brake fluid, anti-freeze, sponge rubber weatherstrip and latex foam pillows, some of which they are interested in exporting.

### The Future of Export

With such a wide range of products and with the Canadian market taking eleven times the 1938 sales, the question arises whether export is still worth the effort. M. E. B. Poulin gave an immediate reply—"Notwithstanding high taxes, unsettled world conditions and all the complications affecting international trade, an exporter must be a man of wide outlook, who does not get discouraged even though some of his best markets happen to be up against some financial difficulties and suspend their purchases. The job is big but all one has to do is to work all the harder in other markets to compensate for losses elsewhere".

In selling to foreign markets, Asbestonos prefers agents who are handling automotive lines. In some cases the first inquiry has been from an agent seeking the line. Sometimes the company consults with foreign commercial representatives in Canada about possibilities of doing business with the respective countries. After assessing prospects by gathering data from various sources, they seek the assistance of the Canadian Trade Commissioner in finalizing each agency arrangement. In the past, neither M. Poulin nor any other representative travelled abroad for the company. This year Asbestonos decided it would be advantageous for a member of the firm to visit Cuba, Mexico and other Latin American countries. During the course of his travels, M. Poulin consulted with the Trade Commissioners posted in the various countries.

### Maintaining Sales

I was greatly impressed by M. Poulin's realistic attitude to the changing conditions of export trade when he made the positive statement: "Asbestonos has on many occasions seen markets falling away while it regains still larger ones. Therefore, it is Asbestonos' strict policy to maintain its exports at all costs, even if we have to shade prices and allow better terms. Export business for many years has been simply coming without effort, as it has for other Canadian exporters. But now times have changed. We, as much as anyone else, realize that competition is the keyword to success and without it business would be far from interesting."

---

## Federation Plans Future

*A four-year plan proposed for the Federation of Rhodesia and Nyasaland envisages an expenditure of £120 million on railway extensions and new lines, on coal mining, and on the Kafue hydro-electric scheme. About half of this sum will come from local sources.*

*The opening of free markets in Nyasaland and Northern Rhodesia should bring expanded industrial activity, but this will conflict with the existing South Africa-Southern Rhodesia reciprocal tariff and poses a trade problem for the Federation. A decision on the relative advantages of preferential access to the South African market vis-à-vis a protected domestic market will have to be made.*

*The greatest single expenditure under the four-year project is for the Kafue hydro-electric scheme which will require a further £20 million to ensure power by mid-1960. Priority has been given to the scheme for these reasons: (a), the serious gap between needs and available power requirements in the Copper Belt; (b), the rapidly mounting need for power in other parts of Northern and Southern Rhodesia; (c), the lowering of power costs by as much as 65 per cent as hydro power replaces thermal units; (d), economy in the use of indigenous coal, and (e), the creation of a revenue-earning asset to encourage further hydro-electric expansion by 1960. Failing power from the Kafue development by mid-1960, power rationing in the Copper Belt and a decrease in government revenue appear inevitable.*

# General notes

### Argentina

PAPER FACTORY PROPOSED—A new paper factory for Buenos Aires province, backed by local paper manufacturers, is being discussed. It would cost some 200 million pesos and would produce 70,000 metric tons a year. Date of initial operation would be late 1955. The National Economic Council is also studying the possibility of making Argentina self-sufficient within the next few years in cellulose pulp and paper by installing new mills at widely spaced points throughout the country. On January 1st, the price of locally made newsprint was reduced from 4 to 3.50 pesos per kilo—Buenos Aires, April 12.

TIMBER CONTRACT WITH CZECHOSLOVAKIA—Argentina has contracted with Czechoslovakia under the compensatory trade agreement between the two countries for timber valued at 14 million pesos—Buenos Aires, April 12.

### Chile

BUDGET DEFICIT—The Chilean Controller-General announced that the 1953 Budget closed with a deficit of approximately 10,000 millions of Chilean pesos, of which 7,000 million correspond to government expenditure not authorized by Congress—Santiago, April 5.

COPPER FOR GREAT BRITAIN—Total amount of Chilean copper sold to Great Britain during the past few weeks is 20,000 tons, according to a statement made by a spokesman of the Central Bank of Chile (the only authorized dealer in copper) to the local government-controlled newspaper *La Nacion*—Santiago, April 12.

### Costa Rica

BUDGET SURPLUS—The Ministry of Economy has informed the press that the Budget surplus of more than 19 million Colones (5·67 Colones to $1.00) will cover urgent government commitments. Among the most important are C3 million for speeding the work at the Coco airport, $500 thousand for the Inter-American Highway to cover Costa Rica's quota during the present year, and many other important public works—Guatemala, April 17.

### Denmark

EXPORTS OF HAM AND BUTTER—Danish butter exporters have decided to continue until September 1955 their long-term agreement with the United Kingdom under which they are obliged to sell 75 per cent of their exports to that market at a price of 345 shillings per hundredweight. Danish meat processors have had to cut down their exports of ham to the United States by one-third to assure fulfilment of their bacon contract with Britain. Exports of ham to the United States have been running at some 1,500 tons a month during the first quarter of this year, but will now be cut to 950 tons of ham and 150 tons of Grade 2 products, and will continue at this level until June 30th. By that time an improvement in bacon pig production is expected—Oslo, April 16.

### Japan

NEW DRUGS—A Japanese pharmaceutical company is to produce ACTH (hormone) in May. Another firm is slated to expand production of tricomycin currently produced in small quantities—Tokyo April 10.

### Jamaica

RADIO-TELEPHONE TO CUBA—On March 17th direct radio-telephone communication between Jamaica and Cuba was begun. Hitherto such communication has been effected through Miami, Florida. The new service established direct connection between the Jamaica Telephone Co. Ltd. and Cuba-radio Internacional, Havana. The Jamaican company, largely English-owned, is the sole concessionaire in this Colony—Kingston, April 9.

### Mexico

TRADE DEFICIT—An excess of imports amounting to 188·9 million pesos in the first two months of this year was reported by the Secretariat of National Economy. The deficit was 29·5 million in the same months of 1953. The Bank of Mexico confirmed a loss of $90 million in the nation's current account transactions during 1953 and reported a further loss of $15·5 million in January—Mexico, D.F., April 10

## South Africa

EXTERNAL TRADE—South Africa's adverse trade balance shows a decrease for the first ten months of 1953 compared with the previous year. With imports holding steady at about the 1952 figures, exports increased by £3 million. This trend was expected to continue till the end of the year because heavy wool shipments were made during the last two months at higher prices than prevailed earlier. South Africa removed all discrimination against imports of dollar goods this year—Cape Town, April 9.

FUNDS FOR KILEMBE MINES—Financing for the Kilembe copper and cobalt mines has been assured by agreement between the Colonial Development Corporation and the Uganda Development Corporation which have jointly subscribed £2·5 million, contingent upon investment of an additional £2 million by the private developers. Production, to begin in 1956, is based on the conversion of 40,000 tons of ore a month into an annual output of 9,000 tons of copper and 900 thousand lb. of cobalt—Johannesburg, April 9.

## Sweden

AGRICULTURAL SALES TO U.K.—The 1954 trade agreement between Sweden and the United Kingdom contains a quota for 8,000 tons of Swedish bacon to be sold at about £240 a ton, approximately 6 per cent lower than the price during 1953. Other Swedish agricultural products included in the quotas of this agreement are seeds, fat-water emulsion, synthetic cream, cocoa milk crumb, vacuum dried meat, chocolate, hard bread, biscuits, ravioli, canned fruit and bakery albumen substitutes—a total value of about one million pounds sterling. These quotas cover goods to be delivered from July 1, 1954, to June 30, 1955. An open quota has also been included for the export of Swedish eggs, egg products and milk products—Stockholm, April 23.

## United Kingdom

STERLING AREA RESERVES—The United Kingdom Treasury has announced that the sterling area's gold and dollar reserves increased by $102 million in March and now stand at $2,685 million. This increase included $14 million of defence aid from the United States and $2 million from the European Payments Union. The net increase of $86 million compares favourably with the corresponding figure of $2 million for February and $14 million for January.

The sterling area's surplus with the dollar area and the rest of the world outside the European Payments Union was raised by the March figures to an average of $34 million a month for the first quarter of 1954. This average, which compares favourably with those for 1953, is an indication that the sterling area has so far withstood the effects of the United States' recession without any serious damage—London, April 25.

OVERSEAS TRADE UP—Preliminary results for March issued yesterday indicate that both United Kingdom imports and exports increased sharply over earlier months in 1954. Exports were £258 million, compared with a total of £209 million in February and £233·9 million in January. The rate of U.K. exports in March was also higher than in the fourth quarter of 1953. Imports, amounting to £298·6 million, were the highest since May 1952 and compared with £241·9 million in February and £282 million in January.

Exports to North America, higher than in January or February, totalled £24·1 million. The average for the first quarter of 1954 was £22·4 million, 10 per cent lower than the previous quarter but only 7 per cent less than the first three months of 1953. Exports to Canada, influenced partly by seasonal factors, declined in March to £11·2 million, or 16 per cent less than the average for the final quarter of 1953—London, April 25.

## United States

TRADE THROUGH MICHIGAN—Imports and exports passing through the Customs District of Michigan, of which Detroit is the principal city, amounted to $1,319·8 million in the first nine months of last year, or 12·7 per cent more than in the same period of the best previous year. Since April 1952, Michigan has led all of the nation's Customs Districts except New York in the combined value of imports and exports. Latest available figures indicate that foreign trade for this district approximated $1,773 million in the twelve months ending December 31, 1953, about 26 per cent higher than that of New Orleans and 70 per cent over Galveston, Detroit's chief competitors for second place among the nation's ports—Detroit, May 1.

MAINE ACHIEVING BALANCED ECONOMY—Maine is achieving a balanced economy based on diversified manufacturing, agriculture, commercial fisheries and marine products and a dynamic tourist industry. Of its 913 thousand population, non-agricultural employment totals more than 250 thousand, of which over 114 thousand are employed in 1,326 manufacturing establishments. These factories turn out more than a thousand different products with an annual value of over a billion dollars. Maine's cash farm crop averages $175 million a year, sea and shore fisheries, $75 million and tourist industries, $200 million—Boston, May 3.

# Ireland : *and its foreign trade*

E. FINEGAN,
*Office of Commercial Counsellor, Dublin.*

*With over 90 per cent of exports going to Britain and with the Government urging greater self-sufficiency, Ireland's trade with dollar area has suffered. Trade with Canada showed interesting shift in main commodities.*

THE FOREIGN TRADE POLICY of the Republic of Ireland is governed largely by dependence on the United Kingdom both as a source of supply and as a market for exports. In 1953, 50·8 per cent of total imports came from and 90·6 per cent of total exports went to the United Kingdom. In exports, a shift of trade to Britain is noticeable compared with 1952, when the corresponding figure was 86·2 per cent.

The problem of sterling inconvertibility continues to be the chief deterrent to increased trade with the dollar area and the Government will only grant dollars when supplies cannot be obtained elsewhere. In addition, policy has for many years been protectionist with the object of encouraging the growth of home industries. Recently, however, the Government has announced that it considers it desirable to review the effect of protection on the efficiency and costs of protected industries.

In agriculture, self-sufficiency is the goal and it is expected that in 1954 the Republic will grow sufficient wheat to meet home demand and make imports unnecessary. Some 56 per cent of export trade in 1953 was based on agriculture and cattle constituted 22·6 per cent of this. The future of the Irish livestock and meat trade, whose main market is Great Britain, is at present hanging in the balance pending the result of consultations before decontrol in Great Britain later this year.

Expansion of exports to North America appears to depend on the ability of Irish exporters to meet competition both in quality and price. In 1952 exports to the United States reached over £3 million but they dropped to £2·3 million in 1953. The chief cause was the fall in meat prices in the United States relative to Irish prices which resulted in the suspension of the recently expanded trade in meat.

## Trade Balance

Valued at 1938 prices, imports to the Republic have grown from £41·4 million in 1938 to £57·4 million in 1953 and exports from £24·2 million to £32·9 million. Valued at current prices, imports for 1953 totalled £183·4 million and exports £114·0 million, leaving an unfavourable balance of £69·4 million. Some £22·6 million resulted from dollar trade and £30·2 million from trade with non-sterling EPU countries. The following table shows the pattern of trade by monetary areas in 1952 and 1953:

| *Area* (*Origin for imports Destination for exports*) | *Imports* 1952 | 1953 | *Exports (Including re-exports)* 1952 | 1953 |
|---|---|---|---|---|
| | (£ million) | | | |
| Sterling | 103·4 | 113·8 | 88·8 | 104·6 |
| including United Kingdom | 87·7 | 93·2 | 87·5 | 103·3 |
| Dollar | 32·8 | 25·4 | 3·5 | 2·8 |
| including United States and dependencies | 18·5 | 16·5 | 3·2 | 2·4 |
| including Canada | 10·9 | 5·7 | 0·3 | 0·4 |
| Non-sterling EPU | 29·3 | 34·5 | 6·8 | 4·3 |
| All other areas | 6·8 | 9·7 | 2·4 | 2·3 |
| Total | 172·3 | 183·4 | 101·6 | 114·0 |

## Export Trade

Classification into broad groups reveals that exports during 1953 consisted of cattle, £25 million; other live animals, £7·5 million; foodstuffs of animal origin, £29·8 million; other foodstuffs, £24·1 million; drink and tobacco, £5·8 million; other raw materials and manufactured goods (including parcel post), £18·9 million. "Other foodstuffs" increased noticeably over the 1952 figures—from £17·3 million to £24·1 million, largely because of a rise in exports of chocolate crumb, chocolate confectionery and other confectionery. Re-exports amounted to £2·5 million, the largest single item being aviation motor spirit, £1·38 million.

In 1953, £102·2 million of Irish exports were consigned to Great Britain and Northern Ireland, with agricultural products accounting for over half of this and including cattle (chiefly store) and horses; fresh, chilled, frozen and tinned meats; poultry; fish; dairy produce; raw wool, etc. It remains to be seen how decontrol of the meat trade in Great Britain will affect some of these commodities. Most of the chocolate crumb and chocolate confectionery exports went to the United Kingdom; other large exports to Britain included ale, beer, porter, whisky and other beverages, £5·1 million; hides, skins, fur skins, leather and manufactures, £1·2 million; paper and cardboard, £1·1 million.

Other important markets were the United States, £2·29 million, Belgium, £1·2 million and Germany (Federal Republic), £893 thousand.

## Import Trade

Imports for 1953 totalled £183·4 million, of which £3·8 million were live animals; £46·6 million, food, drink and tobacco, and £126·3 million, other raw materials and manufactured goods.

These imports came largely from the following sources:

| *Country* | *Value* | |
|---|---|---|
| United Kingdom | £ 93 | million |
| United States | 16·4 | " |
| Netherlands | 8·6 | " |
| Canada | 5·7 | " |
| Germany | 5·2 | " |
| Australia | 4·8 | " |
| Sweden | 3·8 | " |
| Belgium | 3·6 | " |
| France | 3·2 | " |
| All others | 39·1 | " |
| | £183·4 | " |

Wheat imports dropped from £8·7 million to £6·9 million but this decline was partly compensated for by an increase in maize imports from the United States. Imports of refined sugar, cocoa butter and paste, and other chocolate and cocoa preparations rose sharply as a result of the expansion in the chocolate crumb and chocolate confectionery industry. Imports of iron and steel and manufactures fell from £9·4 million to £6·3 million; aluminum, copper, coal and cement imports also decreased.

There was a general decline in lumber imports; sawn softwood lumber fell by 40 per cent, although hardwood imports nearly doubled in value. Imports of poles and railway ties declined.

Increases over the 1952 figures took place in tobacco, up to £4·5 million; wool and wool tops, up to £4·7 million; hides, skins, fur skins, leather and manufactures, up £·8 million, to reach a total of £1·6 million. Canada was an important supplier of the latter. Imports of wood pulp, newsprint, and animal and vegetable oils declined.

## Trade with Canada

The adverse balance of trade with Canada fell from £10·6 million in 1952 to £5·4 million in 1953, mainly because of reduced imports, though exports also rose.

Total exports from the Republic of Ireland to Canada rose from £271,277 in 1952 to £344,349 in 1953. Main commodities in this trade were:

| *Commodity* | *Value* | *Increase or decrease over '52* |
|---|---|---|
| Raw wool | £87,637 | +£68,000 |
| Chocolate and chocolate confectionery | 36,577 | (new export) |
| Jute fabrics | 33,830 | — 20,939 |
| Pork | 28,987 | (new export) |
| Frozen beef and veal | 2,410 | — 99,033 |

Other exports included dead fowl; ale, beer and porter; plasterboards; woollen and worsted fabrics; sisal matting, cordage and cables—all of which, with the exception of the last two items, did not appear in the 1952 trade figures.

Imports from Canada dropped from £10·7 million in 1952 to £5·7 million in 1953. Imports of wheat fell from £6·6 million to £4·1 million and further decreases may be expected in the future because of the Government's self-sufficiency drive. Imports of machinery and electrical goods fell from £75,000 to £2,900, and of aluminum bars and rods from £133,953 to £18,851. Imports of copper bars and rods, which stood at £70,195 in 1952, ceased altogether in 1953. In both cases total imports dropped and Great Britain was the chief supplier.

Imports of lumber dropped drastically—from £2·5 million to £324 thousand in 1953 and, though total imports under this heading have declined, nevertheless the trade has clearly shifted to Sweden, Finland and the U.S.S.R.

No chemical wood pulp was imported from Canada in 1953; about £64,879 was sold to Ireland in 1952. Sweden continued to be the main source of supply of this commodity. Newsprint imports dropped from £780,729 to £688,340, with a larger proportion coming from Great Britain. No paperboard was imported from Canada in 1953 compared with £129,122 in 1952, because of increased domestic production.

Commodities in which trade expanded include hides, skins, and wastes of leather, imports of which rose from £8,883 to £158,432, and linseed which rose from £38,193 in 1952 to £85,934 in 1953.

## Tour of Territory

D. H. Cheney, Vice-Consul and Trade Commissioner in Boston, plans to visit Providence, Rhode Island, from May 24th to 27th. Businessmen interested in this city should write to Mr. Cheney at the Canadian Consulate General, 532 Little Building, 80 Boylston Street, Boston 16.

# Argentine Agriculture Aids Recovery

*With good grain crops expected for the second successive year and the livestock and dairy industries staging a come-back, agriculture is making a vital contribution to the country's economic recovery.*

W. F. HILLHOUSE, *Agricultural Secretary, Buenos Aires.*

ARGENTINA'S PRODUCTION of livestock and agricultural products in 1953-54 maintained the improvement of the previous year and permitted further economic recovery. Current trade information suggests that, although the output for individual crops has fluctuated considerably, total production of the main crops will approach that of last year. Production of meat, hides and wool remained about constant as farmers rebuilt herds; dairy production increased.

The excellent crops of 1952-53 permitted larger grain exports and these, combined with a restrictive import policy, served to treble Argentina's net holdings of gold and foreign exchange during 1953. Based on present estimates, export availabilities of grain and products for the present year will exceed 1953 exports by more than 50 per cent. If these and reasonable quantities of animal products can be sold, Argentina will probably be able to maintain her present exchange position and increase imports of sorely needed primary materials. However, further expansion of basic agricultural exports will be necessary before import controls can be noticeably relaxed and this expansion will not come quickly. Nor can a return to the prewar trading pattern be expected.

### Agricultural Policies

During the past year the official policy towards agriculture incorporated in the second Five Year Plan has not changed fundamentally. Under the present plan, producer prices were increased for the 1952-53 crop by 30 to 50 per cent for the main grain and oilseed crops, planned agrarian credits were made available at reasonable interest rates, and farm wages were increased. Despite the fall in international grain prices, heavy international stocks, and a good Argentine harvest, the prices set in 1952-53 have been maintained for the present crops and, for sunflower seed, even raised slightly.

### Export Grain Pricing

An important change in export price policy, particularly on grains and their by-products, became noticeable in the second half of 1953 when I.A.P.I. (Argentine state trading agency) began considering all reasonable offers. Previously I.A.P.I. had set specific prices on each commodity, usually above world levels. Under the new policy, export of grains rose from 1·4 million tons in the first half of 1953 to 3·3 million tons during the second half. There is every indication that, with substantial carryovers from last year and good harvests in 1953-54, I.A.P.I.'s export prices will remain competitive.

### Farm Machinery Imports

In response to postwar international shortages of farm equipment and in sympathy with Argentina's industrial aims, domestic production of all the simpler implements and some of the complex machines increased to the point where imports were excluded. However, tractors and certain special machines are still not manufactured in any volume and many complain that the quality of the domestic production of some items is unsatisfactory. In December 1953 the Central Bank cancelled requests for imports to the value of 500 million pesos which had been pending since July. Further requests will only be considered if they are accompanied by a firm commitment to begin manufacture (not merely assembly) in Argentina. The nominal deadline for such requests was March 31, 1954. One of the greatest stumbling blocks to increased agricultural production is the lack of sufficient farm machinery of good quality at reasonable prices. Hence the present import policy on these commodities demonstrates Argentina's determination t industrialize.

### Co-operatives Play Larger Role

One of the most publicized objectives of the Secon Five Year Plan is the elimination of the middlemen i the marketing of agricultural commodities. A majo step in this direction was taken in November 195 when a new method of purchasing grain from th producers was inaugurated under the title "Justicialis in the Marketing of Grain". Under the new regula- tions the producer may sell his fine grains, coars grains and flaxseed in three ways only: (1), to th National Board of Grains and Elevators; (2), throug his local co-operative; or (3), through grain merchant which have been authorized by I.A.P.I. to act in it

*—Direccion Nacional de Granos y Elevadores*

*Flat cars loaded with sacks of Argentine grain draw up on the dockside, the sacks are swung aboard the ship and the grain emptied out in the hold. Bags are then returned for re-use.*

behalf. These regulations eliminate the grain broker completely and greatly reduce the activities of the grain merchants. As the co-operatives develop to the point where they can handle more grain, it is expected that I.A.P.I. will authorize fewer and fewer merchants to act in its behalf.

### Production Goals

The second Five Year Plan establishes specific production and acreage goals for the important field crops and farm animals, to be attained by the end of the Plan. Contrary to last year, specific goals were not set for 1953-54 but before and during the planting season an active campaign was conducted to increase sown areas—especially of wheat, corn, flaxseed and sunflower. Official statistics already issued suggest that the campaign met with little success.

### Field Crops

Sown area of wheat, flaxseed, oats, barley and rye has been officially estimated at 12,194,400 hectares, compared with 12,313,500 hectares for 1952-53 and the 1947-51 average of 10,946,100 hectares. Private estimates indicate that there has been a reduction this year of about 10 per cent in the area sown to corn.

The first official estimates of the 1953-54 grain crops, based on conditions several months ago and just released, place production of wheat, oats, barley, rye and flax at 8,779,400 metric tons, compared with 11,996,600 the previous season. No official estimate on the size of the current corn crop is available, but trade circles forecast at least five million metric tons, which will give Argentina a total grain crop of approximately 14 million tons—slightly smaller than last year.

*Wheat*—Growing and harvesting conditions for the wheat crop, although they were certainly not ideal in all sections, were generally above average. As a result, trade estimates of production, which in November ranged from five million metric tons and lower to about six million, now range from six to seven million metric tons. The first official estimate, based on conditions last November and just released, places the crop at six million metric tons, compared with 7·56 million tons in 1952-53. It is expected that the subsequent official estimate will be revised upwards.

In spite of some wet harvesting weather, especially in the north, the quality and specific weight of the crop is generally good. Planted area at 6,136,000 hectares is only slightly more than last year's 6,000,500 hectares.

*Corn*—Largely because of shortage of moisture at the beginning of the sowing season, the area seeded to corn this year is privately estimated at approximately 10 per cent below last year's 3,354,000 hectares. However, from November through January growing conditions were practically optimum for the crop in almost all zones. Some dry, hot weather early in February and since has reduced prospects slightly but the present outlook is for a crop of at least five and possibly six million tons, compared with 3·55 million tons last year and an average for the previous five years (1947-51) of 2·84 million tons.

*Barley, Oats, Rye*—Because these crops (especially rye and oats) are grown primarily for forage, their production of grain fluctuates very widely from year to year and is therefore exceptionally difficult to estimate. As an extreme example, the output of rye rose from 81,000 tons in 1951-52 to 1,334,800 tons in 1952-53 on an acreage increase of 31 per cent. Seeded area has been officially estimated at within one per cent of last year's. However, nowhere in the country were winter grazing conditions as ideal as they were in 1952 and in certain sections of the west and northwest, where rye is an important crop, there was a severe drought for several months. On the other hand, there are persistent reports of high barley yields in some areas.

The first official estimate of production of these three grains is 2·43 million tons, compared with the all-time record of 3·78 million tons last year. However, the total production of these grains exceeds the average of 2·01 million tons during the period 1943-44-1952-53.

*Grain Exports*—Exports of all these grains and wheat by-products in 1953 reached five million metric tons. Although this was the highest figure since 1948 and exceeded combined exports of the two previous years, it fell far short of the ten-year prewar average of 10·8

89811—3½

million tons. On the basis of trade estimates of carryover and production this year, and allowing for reserves and domestic consumption, export availabilities in 1954 will undoubtedly surpass 1953 exports by more than 50 per cent.

*Vegetable Oils*—Flaxseed, the export of which for the twenty years preceding World War II averaged 1·4 million tons, has steadily been losing favour with the Argentine farmer. The trend has been assisted during the past two seasons by official price policy and few private observers expect the crop this year to be much over 400 thousand tons. Sunflowerseed, the most important source of edible oil, is enjoying no more success than flaxseed and despite a 10 per cent increase this year in the producers' price, output is not expected to equal even last year's unsatisfactory 428,300 tons.

*Apples*—The Argentine apple crop this year is much larger than last year especially in the Delicious and Red Delicious varieties. Exportable surpluses of the smaller varieties desired by the European markets have already been committed at prices higher than last year. Pending the finalizing of the Argentine-Brazilian trade agreement, sales to that market have not started, although an advance of 20 million agreement dollars has reportedly been allocated for the export of fruit to Brazil.

## Livestock and Products

The Argentine livestock industry is slowly recovering from the adverse effects of the first Five Year Plan and several years of severe drought. Very high prices have been paid both at home and abroad for first-class breeding stock. High prices for feeders and scarcity of grassland for rent suggest that the prices being paid by the butchers and packers are attractive and that herds are being rebuilt. However, this gradual improvement has not yet been reflected for any extended period in increased entries into the major markets and frigorificos. There is still one meatless (beefless) day per week and the Government continues its campaign to diversify the national diet.

Export commitments under the 1953 protocol of the Anglo-Argentine Meat Agreement were met for all commodities except beef sides, shipments of which by December 31 fell short by 54,000 tons, or exactly one-third. Shipments continue against this commitment and against a six-months pro-rata extension of the one-year 1953 protocol. The extension covers the period until June 30, 1954, when the 1949 Anglo-Argentine agreement expires. Shipments in January were satisfactory but good grazing conditions reduced cattle entries to an alarming degree and February shipments were cancelled. To bring cattle to market, a new producer price schedule was put into force, with penalties for heavyweight cattle commencing March 1, later extended to March 10. The immediate short-term effect of these new prices was to multiply daily entries to frigorificos and stockyards; the long-run effects are as yet unknown. To date, the improved entries in late February and early March have not affected materially shipments to the United Kingdom. The excess over present requirements has been put into storage for possible future domestic use, should daily entries again fail to meet the domestic demand.

In view of the present rate of export under the Agreement, it is expected that shipments will continue beyond June until all commitments under both the 1953 protocol and the extension have been completed. Quantities of meats involved in the extension are exactly one-half those stipulated in the 1953 protocol and total 127,900 long tons, including canned meat and offals. Prices and classes of meat are identical with those of the previous year.

## Beef and Lamb

Exports of beef and lamb carcasses in 1953 were limited almost entirely to the United Kingdom. One point of interest was the revival on a limited scale of shipments of chilled beef to Britain; 47,621 quarters were shipped. Under the agreement there is a price premium for chilled beef of at least £20 per ton (12·4 per cent) and Argentina would be delighted to increase such shipments. Inadequate transportation facilities and short supplies of the proper type of steer present the most serious obstacles.

There is much speculation about the implications for Argentina of the impending freeing of the meat trade in the United Kingdom. In unofficial circles at least there are hopes (unsupported to date by official action) that Argentina will follow a somewhat comparable course—i.e., turn exports back to the trade.

## Wool and Hides

The Argentine Wool Federation has estimated woo production from the 1953-54 clip at 180 thousan metric tons, 2½ per cent below that of the previou season. The clip contains a somewhat higher percentage of coarse wool than usual because Patagonia production of the finer wools was reduced by th severe drought of 1953.

Wool exports during the 1952-53 season (October 1 September 30), at 214 thousand metric tons, wer second only to the 234 thousand tons shipped i 1945-46. Ample carryover from the 1951-52 seaso and a clip of approximately 185 thousand tons provided the supplies necessary for this movement, whic went mainly to the United States, the United Kingdom Belgium, Japan and Germany. Carryover at September 30, 1953, was estimated at 11,000 tons an exportable surplus at 146 thousand tons.

At the end of the last season, with the previous exportable surplus almost depleted, the 8 per cent sales tax on wool exports was restored. Earlier in the year private sales for sterling lost the preferential rate of 6·25 pesos per U.S. dollar (basic rate is 5·00 pesos per dollar). As a result of these actions and the producers' reluctance to accept less, Argentine wool prices have been above world levels and shipments limited, even though several of Argentina's bilateral trade agreements include important quantities of wool. From October 1, 1953, through February 25, 1954, exports are unofficially reported to have been only 44,240 bales, compared with 220,428 bales during the same period in the previous year.

Exports of hides (except horse hides) during the calendar year 1953 were below those of recent years. Exhausted stocks at the end of 1952 contributed to the decline. Export exchange rates have been increased twice in the past six months in an effort to stimulate sales. Western European countries, led by the Netherlands and Germany, provided the major markets. Sheepskin exports at 20,000 tons were three times those of either of the two preceding years.

### Dairy Products

Production of dairy products continued to revive in 1953 and exports of casein, cheese and butter all increased materially, rising to 36,000 tons, 4,600 tons and 14,800 tons respectively from the previous year's 18,000, 2,600 and 950 tons. In an effort to stimulate exports of powdered, condensed and malted milk, stocks of which were becoming burdensome, the Central Bank in November 1953 allowed foreign exchange from exports of these commodities to be negotiated at the official free rate, approximately 14 pesos per U.S. dollar. The former rate was a combination one, equalling approximately 10 pesos per dollar. The dairy cattle population is rising noticeably and production should increase. As internal economic conditions improve, however, domestic consumption may increase and reduce export availabilities. ●

## fairs and exhibitions

### From Looms and Knitting Machines

THIRTY CANADIAN MANUFACTURERS of sportswear and knit goods will display their products in the Canadian Showroom in Rockefeller Center, beginning May 18th. Planned in co-operation with the Department of Trade and Commerce, the display will run until the end of June.

An array of beautifully styled women's suits, skirts and coats, made from loomed and hand-woven tartans, cashmere, pebble cloths and knitted fabrics, will be attractively displayed to catch the American buyer's eye. Canadian-made sports clothes, already popular in the U.S. market, will be represented by ski suits, sweaters and headwear, jackets and coats for the hunter, the fisherman and the golfer, and by tartan skirts, caps, socks, etc.

The Canadian sports clothing and knitwear industry has made impressive progress, especially since the end of World War II. Manufacturers have worked to develop distinctive Canadian styles made from the materials best suited to the wide range of climate on this continent. The American demand for Canadian sports clothing and knitwear has been particularly noteworthy and many of the firms taking part in this new exhibit at Rockefeller Center have already established outlets for their products in various parts of the United States.

### France Goes to Colombia

BOGOTA'S NATIONAL MUSEUM was the setting recently for a display of French industrial power and French skills—a display ranging from steel mills and hydro power developments to clothing, Limoges china and objets d'art. The Exposicion Francesa, held from February 19th to March 7th, demonstrated that France has a great cultural stake in Latin America and is prepared to make a concerted drive to build up her business relations as well. Many thousands of Bogotanos and visitors to the capital saw the displays of goods valued at some $2½ million.

### Foire de Paris

SPRING IN PARIS brings the chestnut blossoms—and the fifty-year-old Paris International Trade Fair. At this year's fair (May 22nd-June 7th), tools, machinery and plastics will hold the spotlight among the 130 sections. Latest types of household goods and new processes in packaging and handling will also be shown. A section will feature products and equipment of interest to restaurant and hotel proprietors and department store managers.

The Canadian Government exhibit just shipped to Paris is designed to promote Canada's fur industry, and to illustrate the market opportunities here for French products. Ranch mink, ranch fox and some wild furs, worth $60,000 to $70,000, will be displayed on figures wearing original dresses by a famous Paris designer.

The Trade section, which is entirely graphic, illustrates the theme, "Know Your Canadian Customer," and is planned to encourage French exports to this country.

### "Canada-Holland: Trading Partners"

THESE WORDS SET THE THEME of Canada's exhibit at the Royal Netherlands Industries Fair, March 30th to April 8th, and were prominently displayed on one of its main panels. Probably the most striking single feature of the display, this panel symbolized the two-way trade between Canada and the Netherlands with model ocean freighters steaming across it in both directions. Behind the panel were displayed the products Canada offers to Holland —minerals and metals, chemicals and synthetics, wood and paper, fish and fish products, wheat and grain.

Other panels featured Dutch immigrants to Canada, with coloured photographs showing how they have found life in their new country; the standard of living in this country and the market for Netherlands' products; the Canadian International Trade Fair, and the CBC International Service.

The exhibit was designed and produced by the Canadian Government Exhibition Commission.

*Part of the display of Canadian footwear at the Canadian Showroom in Rockefeller Center this spring. Shearling-lined winter overshoes and after-ski slippers and moccasins drew much attention.*

### Mechanical Handling

THE 4th BRITISH MECHANICAL HANDLING EXHIBITION is expected to attract visitors from more than 30 countries. It will be held at Olympia, London, from June 9-19, and is said to be the world's largest and most comprehensive display of labour-saving and ancillary equipment. Some 75 per cent of this equipment will be shown in operation.

A convention will be held in conjunction with the Exhibition, featuring eleven papers read by authorities in their differing fields; six experts will take part in an "Any Questions" session and attempt to solve problems submitted from the audience.
For details on the Exhibition and Convention write to: *Mechanical Handling,* Associated Iliffe Press, Dorset House, Stamford Street, London, S.E.1.

### Coming—in Canada and the U.K.

*7th Canadian International Trade Fair,* Exhibition Park, Toronto, May 31 to June 11. Information from: The Administrator, at above address.

*7th London Fashion Fortnight,* June 9-23. For information: A. J. Dannhorn, Mantle and Costume Manufacturers' Export Group, 7, Montagu St., Portland Square, London, W.1.

*14th Antique Dealers' Fair,* Grosvenor House, Park Lane, London, W.1, June 9-24. Information from: Captain C. S. Platts, The Antique Dealers' Fair and Exhibition, at the above address.

*37th Conference and Exhibition of the Chemica Institute of Canada,* Toronto, June 21-23. Fo Information: J. G. Holland, The Chemical Institut of Canada, % Monsanto Canada Ltd., 183 Fron Street, East, Toronto.

*Building Plant Exhibition,* Reading, June 24-30. Fo information: W. H. Wilson, Acting Chief Informatio Officer, Ministry of Works, Room 117, Lambet Bridge House, London, S.E.1.

*"Production for Plenty" Exhibition and Conferenc* at Olympia, London, July 7-14. For information Organizing Secretary, Room 11, Avenue Chamber 4 Vernon Place, London, W.C.1.

*21st National Radio and Television Exhibition,* Lon don, August 25-September 4. For information: Radi Industry Council, 59 Russell Square, London, W.

*76th Canadian National Exhibition,* Toronto, Augu 27-September 11.

*3rd British Food Fair,* at Olympia, London, Septem ber 7-18. For information: Mr. J. O'Shea, Catherine Place, London, S.W.1.

# Credit Conditions in the Commonwealth

*Higher rate of business activity in the Commonwealth, plus increased exports, has meant stronger financial conditions and has helped individual firms to enhance their credit standing in early months of 1954.*

THE PROCEEDINGS at the Conference of the Commonwealth Finance Ministers at the beginning of this year were in themselves convincing testimony that the financial crisis in the sterling Commonwealth has been mastered and a much sounder credit basis for the area restored. Gold and dollar reserves held by the Bank of England for the sterling area increased by $672 million during 1953, from a level of $1,846 million at the end of 1952 to $2,518 million at the end of 1953. The first two months contributed additional surplus dollar earnings of $65 million. The recovery resulted from sound internal monetary and credit management, active industrial and commercial conditions, and more favourable foreign trade experience. Unquestionably, all the major factors that influence commercial credit conditions were increasingly favourable.

### Business Trends Encouraging

The March 20, 1954, issue of *Foreign Trade* reviewed economic developments and commercial conditions in each of the Commonwealth countries, so that it is only necessary to stress some of the highlights here. With the exception of Malaya and Ceylon, these reports demonstrated a generally higher level of economic activity. On balance, Pakistan and Hong Kong had a difficult year, neither better nor worse than 1952. Throughout the Commonwealth, crop experience was more favourable than in the previous year and the world market for most of the important primary commodities was satisfactory. Only tin, rubber, and jute suffered from a serious decline in world demand and falling prices—and jute prospects have brightened in 1954. Industrial output over the year rose, not only in the United Kingdom but also in India, Australia, South Africa, Pakistan and the West Indies.

No reliable data on business failures are available for many of the Commonwealth countries. However, the higher rate of business activity is in itself convincing evidence of stronger credit conditions. Higher national income in all countries except those noted meant a stronger financial situation. Certainly the credit situation was easier on a commercial banking level and individual firms have shared in the improvement and have enhanced their credit standing. The implications at least are strong that if the rate of business failures showed any change during 1953, it was for the better.

A higher level of exports, combined with restrictive controls over imports, made 1953 a successful trading year for the Commonwealth. Careful attention to the dollar trade balance was an important factor in the successful rebuilding of sterling area gold and dollar reserves. Several Commonwealth countries like Australia, New Zealand, the Federation of Rhodesia and Nyasaland, the Union of South Africa, and the West Indies have responded to the improvement by easing the restrictions on dollar trade for 1954.

Trade experience with the Commonwealth has firmly established the conviction that this group of countries has an exceptionally high standard of commercial morality. The restrictive and discriminatory import and exchange regulations remain, of course, as an obstacle for dollar goods seeking entry into the far-flung Commonwealth trading area. At the same time, the incidence of these restrictions upon Canada's exports has been substantially reduced in recent years. It is generally true that trade liberalization is a Commonwealth aim that will keep pace with the improvement in the area's capacity to pay.

### Collection Experience

The Export Credits Insurance Corporation reports highly satisfactory experience on collections in the Commonwealth. Delays were recorded on only a minor percentage of insured exports shipped to the British West Indies and the Union of South Africa. Larger payments fell into arrears in Ceylon and New Zealand. Elsewhere in the Commonwealth, the experience was prompt payment on practically all accounts.

### Summary of Changes during 1953

| | *Trade Balance* | *Business and Credit Conditions* |
|---|---|---|
| Australia | much improved | improved |
| British West Indies | improved | improved |
| Ceylon | less adverse | still difficult |
| British East Africa | little change | unchanged |
| Hong Kong | weaker | still uncertain |
| India | stronger | improved |
| Malaya | weaker | more difficult |
| New Zealand | improved | improved |
| Pakistan | recovering | recovering |
| Federation of Rhodesia and Nyasaland | improved | improved |
| Union of South Africa | little change | readjusting |
| United Kingdom | improved | improved |
| West Africa | slightly weaker | more satisfactory |

# Assessing the Automotive Market

*First-quarter production and sales figures bear out the prediction of the automotive industry in the United States that its total 1954 business will be only slightly below that of 1953, which was the second best year in its history.*

J. H. BAILEY, *Vice Consul and Assistant Trade Commissioner, Detroit.*

EARLY IN JANUARY 1954, the U.S. automotive industry scheduled first-quarter production of cars and trucks at 1·7 million units. It was able to maintain a pace which saw 1,764,900 units roll off the assembly lines by the end of March. This is 187,600 cars and trucks less than it produced in the same period of 1953—or less than seven days' vehicle output at the current rate. Car assembly is about 8 per cent under last year and truck production is down 17 per cent.

The total U.S. market for cars and trucks in 1954 is still expected to range between 6 and 6·5 million units and there is nothing in the sales picture so far to suggest that this target will not be reached. By the end of March, the excess of production over sales during the first quarter had resulted in the dealers carrying heavy inventories. Leaders in the industry feel, however, that the lower sales rate for the first quarter will be more than offset by the traditional big car-selling months of the spring. This spurt usually begins about mid-March and continues through to the end of June. Higher production was therefore maintained during the first quarter than actual sales warranted, in order to build up inventory for the expected spring surge.

### Market for Used Cars

Industry analysts believe that the volume of new car output during the second quarter may depend to a large degree on the liquidation of used car stocks. The combined efforts of the manufacturers and dealers to clean up used car stocks are bearing fruit and reports from the field show a steady decline in the number of used cars at new car dealers.

The new car market is thus drawing much of its strength from the improving demand for used cars. Used car sales at new car dealers in March reached a five-month high and equalled the volume sold in March of last year. The new car dealer is over-allowing on trade-ins as well as offering substantial discounts on his new car sales. He is now finding that he must sell used cars himself, instead of following the former practice of wholesaling them to used car dealers, if he wants to realize a profit on the combined deal. The car manufacturers are assisting in this program and are holding clinics to train dealer salesmen and mechanics in how to make the most from a used car taken as a trade-in.

Standard models are the biggest drug on the used car market because buyers who formerly purchased them can now obtain deluxe models with many accessories, including a radio, for about the same outlay. On the large cars being traded in, there is a substantial dollar depreciation but percentage-wise they are not being depreciated as much as some of the middle-priced models. The highest depreciations, as in the past, are in the models produced by the independents; the low-priced models of the big three continue to hold their lead as far as low depreciation rates are concerned.

### Dealer Profit Margins Narrow

Prices of both new and used cars showed signs of firming as spring approached and this should improve second-quarter profits for the dealers. As a result of liberal trade-in allowances and big discounts on new car sales, some dealers were practically trading dollars during the first quarter. There have been new car sales reported where the dealer's gross profit was as low as 4-5 per cent as he went all out to sell the allocations of vehicles he was receiving from the factories.

Some new car dealers have even been selling new cars at practically cost to used car dealers, in order to keep their stock of cars turning over. This system is known as "bootlegging" new cars and, although it is frowned upon by both the manufacturers and the dealer associations, it is not illegal.

Another reason for the dealers' low profits during the past winter has been the expensive gimmicks they have employed to attract customers. To drive along the new and used car rows in the car capital of the nation has been, at times, like driving past a giant circus: blazing lights, bands, powerful searchlights swinging through the heavens, loud speakers booming until late at night, free snacks, and so on. It is problematical how long the new car dealers can keep up this high-pressure selling and already a large number of used car dealers have been forced out of business.

Finally, where it was formerly almost impossible to buy a medium to high-priced model without the dealer adding a number of high-profit accessories, it is now possible to buy a stripped-down car with only those accessories specifically ordered by the customer. Only in the top price cars does the buyer still have to take the accessories added by the factory and the dealer.

### Replacement Business Booming

Outlook for automotive replacement parts is that 1954 sales volume will exceed that of 1953. The tire industry in Ohio and Detroit, for example, expects that dollar sales volume for 1954 will be maintained at about the same level as last year, because of an increase in replacement tire sales. The dollar return from such sales is much higher than from sales for original equipment and the profit margin is also greater.

For some six months now, wholesalers of replacement parts have been realigning their inventories to get the best balance for fast turnover and the best possible profit. With parts manufacturers once more fully competitive, jobber stocks have been carefully scrutinized. Although the dollar volume of such inventories is estimated as about the same as a year ago, nevertheless they are considered healthier because of completeness and quality.

A new plan is now operating in well over a hundred cities throughout the country whereby the buyer can obtain repair service or parts on a time payment plan. Wholesalers are reported to be counting on this to step up their sales to dealers and hence are promoting the plan whenever possible.

### Export Sales Up

Comparative figures for vehicle export sales for January and February, including sales to Canada, are:

| *Jan. and Feb.* | *Cars* | *Trucks* | *Buses* | *Total* |
|---|---|---|---|---|
| Export sales, 1954 ...... | 40,680 | 26,770 | 50 | 67,500 |
| " " 1953 ...... | 36,820 | 24,240 | 40 | 61,100 |
| Total sales, 1954 ...... | 897,600 | 183,200 | 700 | 1,081,500 |
| " " 1953 ...... | 939,400 | 208,300 | 400 | 1,148,100 |
| Percentage of export sales to total sales, 1954 ...... | 4·5 | 1·5 | 7·2 | 6·2 |
| 1953 ...... | 3·9 | 1·2 | 10·2 | 5·3 |

Export sales during the first two months of 1954 have actually improved over the same period last year. As a result of both this increase in unit sales in the export market and a decrease in domestic demand, sales abroad this year have accounted for a higher percentage of the industry's total business than in 1953. As in domestic business, the spring is considered the best part of the year for export sales. The industry, however, is expecting to maintain for the year as a whole at least the same volume as in 1953. The biggest export markets, excluding Canada, are South America, Mexico, and Europe—in that order of importance. ●

## Diesels for Argentina

Argentina plans to equip all of the State railways, i.e., all public carriers, with diesel electric locomotives by gradually replacing the steam locomotives now in use.

The plan, which has been in force at least since 1950, is to purchase over a period of years about 1,000 diesel electric locomotives exceeding 1,000 h.p. and from 250 to 400 industrial and switching locomotives of between 300 to 600 h.p. each. Of the major type, 135 units had been delivered by the end of 1951 and came largely from European countries. Since that time the General Electric Company in the United States has delivered 100 locomotives; the last of these arrived in October, 1953. A further 10 main-line locomotives were also delivered by the Werkspoor N.V. factory in Amsterdam. Some 16 out of a total contract for 26 Diesel-Ganz locomotives have already been delivered and the remainder are expected shortly.

Of the industrial and shunting locomotives, the Werkspoor N.V. factory has a contract for 50 shunting units for broad-gauge lines and 30 units for narrow-gauge lines. Some of these have already been delivered and it is expected that the entire contract will be completed before the end of 1954. All of these contracts were placed by the early part of 1951. Since then, no contracts have been let and there is no indication that further orders will be placed in the near future. There is, however, a definite intention to turn away from steam locomotives to the diesel electric type and the realization of the plan to purchase at least 1,000 of these units will depend upon the compensatory trade agreements now in force with several European countries and also upon the foreign exchange available to purchase the locomotives outside of such agreements.

Production within Argentina of diesel electric locomotives has been started by Messrs. Fábrica Nacional de Locomotoras, an official dependency of the Argentine Ministry of Transport. The first unit successfully passed its tests in October 1951. It consists of two coupled units and has four motors of 735 h.p. each which supply current to four traction motors fixed to each axle. Each motor group is completely independent, thereby permitting power distribution according to requirements. The four-axle motor bogies and the system of axle suspension are said to be of a special design already patented in Argentina.

—C. S. BISSETT,
*Commercial Counsellor, Buenos Aires.*

# If Business Takes You to France . . .

*. . . you will find in this article suggestions for making your stay both pleasant and profitable and for widening your business contacts.*

J. H. STONE, *Assistant Commercial Secretary, Paris.*

IT'S NOT SURPRISING that many Canadian businessmen visit France each year. Traditionally, this country has been one of Canada's important customers and suppliers. Although trade with Canada has fallen off in recent years because of the French dollar shortage, the volume is still substantial and reached a value of over $63 million in 1953. Another reason—Paris lies at the crossroads of Europe and is frequently included in a European business itinerary.

If you are planning a trip to France, the information in this article may help you to simplify your arrangements and make your visit more enjoyable and profitable. The Canadian Commercial Counsellor, whose office is at 3 rue Scribe in Paris (telephone: OPEra 42.30), can help you in many ways and will welcome the opportunity.

## • Planning Your Itinerary

However essential it may be for you to visit Paris, a business trip confined to this city alone may not be adequate. Some products come almost entirely from other regions of France and a French public holiday coinciding with a short stay in Paris could eliminate any chance of doing business, especially now that the five-day week is fairly general.

For these reasons, you will probably find it useful to consult the Commercial Counsellor before you draw up your final itinerary. It is important to remember that in the summer, and especially in August, many French companies close down completely for a month-long holiday. The French Commercial Attachés in Montreal, Ottawa and Toronto can also be of great assistance and the offices of the French Tourist Bureau have a wide range of interesting literature on France.

## • Contacts in France

The Commercial Counsellor can make some advance preparations for your visit if you let him know in good time when you will arrive, how long you plan to stay, and which industries or products you would like to see. He can draw up a list of potential customers or suppliers, collect prices and small samples, and initiate arrangements for visits to industrial plants or regions.

## • Regulations

*Health*—Although the French authorities do not require a vaccination certificate or inoculations, you must have a valid vaccination certificate to re-enter Canada. It is generally more convenient to attend to this before you leave home.

*Customs*—You do not need a visa for a stay of less than three months in France. The normal baggage carried by a traveller will be cleared through French Customs without difficulty or delay. You can bring into France one thousand cigarettes and one bottle of an alcoholic beverage per person free of duty.

*Currency*—You can exchange Canadian dollar travellers' cheques or bank notes easily in Paris or the larger cities. However, United States funds are more widely known, especially in smaller towns, and at least a proportion of your funds should be in U.S. dollars.

Sometimes you can make a substantial saving by purchasing French bank notes in Canada before you leave. There is no legal limit on the amount of French money which a visitor may carry in (but not send). Do not however, bring more francs than you will need for you stay in France. A visitor cannot buy foreign currenc here in exchange for French francs, although he car obtain other European currencies in Paris if he give dollars in exchange.

*Discounts*—Retailers are authorized to give discount of 12 to 16 per cent if goods are paid for in dolla cheques or notes. Such sales are considered as export and the discount corresponds to the tax drawback o exported goods.

## • Transportation

European railways and airlines provide frequent, comfortable services between most cities, and travel b automobile often is neither practicable nor economica because of the distances involved and the high cost c car rental and gasoline. On the other hand, when

AUX GALERIES LAFAYETTE
ALERIES LAFAYETTE

—*French Information Service*

*Most visitors to Paris find time to do a bit of shopping and the department stores, such as the well known Galeries Lafayette, are a good place to start, especially if you are a first-time tourist.*

business and pleasure are combined, or for regional travel, you can hire a small car for about $6.00 a day and up, plus gasoline. If your visit is to extend over several months or longer, the purchase of a car is worth considering, but you will have to use it fairly steadily to justify the substantial depreciation and insurance costs. When you travel by air or by rail, cut down your luggage to the amount you can keep with you, in view of the danger of its going astray.

### • Hotels and Restaurants

In the smaller French towns, the business visitor is well advised to stay at the leading hotel. In the larger cities, the more modest hotels provide a high standard of comfort and convenience at a reasonable cost. Meals can be surprisingly expensive even at ordinary restaurants and a reliable guidebook is well worth buying. The names of recommended hotels and restaurants are available from the Commercial Counsellor at Paris who will also make hotel reservations if requested.

Laundry often takes four days in hotels; visitors in a hurry should carry linen requiring no ironing.

### • Food and Drink

Many Canadians visiting Paris suffer from indigestion and kindred ills brought on by over-eating. French food and wines tend to be rich by Canadian standards and moderation at both bar and table is strongly recommended. Bottled mineral water is usually a wise choice for those who do not stop long enough to become accustomed to local tap water—which is, however, perfectly safe to drink almost everywhere in France.

### • Tipping

Porters at stations are entitled to a fixed charge per piece of luggage; the rate is usually posted up in the station or the porter can tell you. Fifty francs will cover checkrooms, theatre ushers, taxis and most other small tips.

A service charge covering normal tips is almost always added to hotel and restaurant bills. An additional token tip of a few francs is quite sufficient.

### • Gifts

Your French friends will appreciate articles made of nylon—and you should take flowers with you when you are invited to a French home. As for presents to take back home, your wife will appreciate an evening bag, costume jewellery, engravings or handicrafts, all of which are reasonably priced. If you are in doubt where to buy, go to a department store. Your duty-free exemption on returning to Canada is $100.

### • Translation

The Commercial Counsellor will provide translation services for business purposes. Most hotel staffs speak some English and department stores in Paris have translators on their staffs.

## French Trade Improves

*Metropolitan France's exports to foreign countries during the first two months of 1954 increased almost 11 per cent over those of the same period last year, rising from 141·9 billion to 158·3 billion francs. Imports from foreign sources were also slightly higher, increasing from 194·1 billion to 197·9 billion francs, or about 4 per cent. These trends reflected the recovery of industrial production in recent months which has resulted in increased need for raw materials and has permitted lower imports and larger exports of consumer goods.*

*Exports of machinery and equipment rose in the first two months of this year to 23 billion francs compared with 17 billion in the same period last year; consumer goods advanced from almost 31 billion to over 40 billion francs. Exports of raw materials showed little change.*

*Imports of raw materials increased substantially during the first two months of 1954, rising to 104 billion francs compared with 90 billion during the same period last year. Consumer goods imports were substantially lower at 29 billion francs, compared with 35 billion last year. Machinery and equipment imports fell slightly—from 22 billion to 19 billion.*

# The Italian Machine Tool Industry

*Some 140 plants now turn out a wide range of first quality, high-accuracy machine tools; many of them wil be on display at the CITF in Toronto next month.*

A. A. CARON, *Assistant Commercial Secretary, Rome.*

THE MACHINE TOOL INDUSTRY in Italy had its origin at the beginning of this century, when a few machine shops located in the north began to build the simplest types of machines, such as centre lathes, milling machines, shapers and planers. The First World War gave the industry a great impetus because Italy was cut off from Germany, her normal source of supply. Within a short time the Italian manufacturers were able to produce well-designed machines though these did not compare in precision and quality with German and Swiss production.

## High-Quality Production Begun

It was only after 1929 that production of high-quality machines, mainly for railroad shops and ball-bearing plants, got under way. In 1934 the machine tool industry was helped along by import control made necessary by currency shortage. The Italian manufacturers availed themselves of the opportunity to expand production, making use of the newest ideas of German and American builders in designing their machines. From 1938 to 1940 they actively sought improved quality and accuracy; production was extended to the whole line of machine tools—even the most complicated, such as boring machines, grinders and gear-cutting machines. Italian machine tools were by then known and appreciated not only at home but also in South America, Africa, Japan and other countries. The Italian industry soon was employing 25,000 people and turning out 42,000 tons a year.

After the last war the situation changed. Several shops had to try new lures; others had to reduce the number of employees; a few had to concentrate on the reconstruction of plants. The large metal industry plants were short of funds and had a surplus of manpower for their peacetime output; they therefore were not in a position to renew their equipment. The Italian manufacturers had to reduce their production but they did not neglect either improving their plant or designing new models. They were able to survive the critical years from 1946 to 1950, after which the international situation again permitted the resumption of normal business, especially for export.

There are at present nearly 140 machine tool plants in Italy employing from 20 to 800 workers each; the total number of employees is 12,000. Over 50 plants mostly in the north, have modern equipment and thei output is of high standard. Several of the manufac turers are linked in a voluntary association calle U.C.I.M.U.—Unione Costruttori Italiani Macchin Utensili—(Italian Machine Tools Builders Associa tion), and this association is largely responsible fo the organization of the Italian exhibition of machin tools at the forthcoming Canadian International Trad Fair on May 31st. The exhibit will cover 3,600 sq. f

Many types of machines are produced in Italy, includ ing complicated models of high accuracy. Types c lathes produced, in addition to centre lathes of an dimension, include relieving lathes, multi-tool, turre duplicating and chuck lathes, vertical lathes (or borin mills), roll-turning lathes and railroad ship lathe Power milling machines are produced in all size Planer type milling machines and planers up to th largest capacities are also standard production. Slottin and shaping machines in any capacity are widel manufactured. Multi-spindle drilling machines, sing or combination drilling units belong to the standar line of three important plants.

## Export to Many Countries

In 1951 the United Kingdom and the United Stat turned to Italy as a source of supply for machine too for their defence program. In 1952 shipments to th U.K. reached 5,085 tons and shipments to the Unite States 5,449 tons. Brazil, Argentina, Yugoslavi France, Switzerland, Turkey, Venezuela and Cana also import Italian machine tools in apprecia quantities.

The following table (Canadian statistics) shows t value of the imports into Canada of Italian machi tools (for metal-working only) in 1952 and in 195

| | 1952 | 195 |
|---|---|---|
| | *Can. dollars* | |
| Metal drilling machines and parts | 11,381 | 27,4 |
| Metal grinding machines and parts | 95,128 | 76,9 |
| Metal working lathes and parts | 165,435 | 226,7 |
| Metal milling machines and parts | 3,213 | 199, |
| Metal working presses and parts | 8,581 | ni |
| Metal shapers slotters and parts | 20,628 | 4 |
| Metal working machines N.O.P. and parts | 4,214 | 3,2 |
| | 308,580 | 534, |

# commodity notes

## Australia

GOLD—The value of gold production in Australia for 1953 was the highest since 1939. Output was 1,052,779 fine ounces, valued at £16,776,916—£740,040 above that of the previous year. Although 1953's production represents an increase of 73,823 fine ounces, or 7½ per cent, over 1952 figures, it is still 35 per cent less than production in 1939.

West Australian gold output in 1953 and its value amounted to more than three-quarters of the Commonwealth totals. The value was a record £13,299,092, including overseas gold sales premium of £535,330. Previous record value was £12,696,503 in 1950. West Australia's gold production record of 2,064,801 fine ounces in 1903 still stands, but the Royal Mint then paid only £4/4/11½d. an ounce—Melbourne, April 8.

## Belgium

WINDOW GLASS—More Belgian window glass was sold abroad in 1953 than in any other postwar year except 1951. Compared with 1952, a poor year for the flat glass industry, export sales increased by about 50 per cent and domestic sales by 30 per cent. About 80 per cent of the flat glass produced in Belgium is intended for export and the industry is sparing no efforts to maintain its favourable prewar position in foreign markets.

Canada bought 11,000 tons of window glass from Belgium in 1953, and was Belgium's third best customer, after the United States (20,865 tons) and the Netherlands (37,908 tons)—Brussels, April 14.

## Brazil

BANANAS—Banana exports through the port of Santos in 1953 totalled 8,778,053 stems, compared with 10,851,271 stems in 1952. Last year's decline was almost entirely the result of the smaller amounts shipped to Argentina in the first quarter. The United Kingdom re-entered the market again last year when it purchased 1,203,894 stems, after buying none in 1952—São Paulo, March 18.

## British Guiana

MINERALS—Interest in columbite is developing, and several mining companies are exploring in the Mazaruni and Cuyuni districts. Production of gold and diamonds declined during 1953—Port-of-Spain, April 17.

## Finland

BUTTER—Finland has agreed to export 500 tons of butter to the Soviet Union during 1954, but it is possible that this quota may be exceeded. Stocks in Finland at present amount to about 3,000 tons. The last export of Finnish butter to the Soviet was in 1952 when deliveries totalled 1,500 tons—Stockholm, April 12.

## Greece

TRACTORS—According to official figures, there are about 5,000 tractors of all types in use in Greece, compared with 1,500 before the war. Of these, 25 per cent have gasoline or distillate engines and 75 per cent diesel engines. Divided by power, there are 8 per cent between 6 and 8 h.p., 34 per cent between 19 and 27 h.p. and 50 per cent over 27 h.p. In proportion to acreage there is one tractor to 575 acres in the Thessaly plain of Central Greece and one to 1,850 acres in Northern Greece. The rest of the country is too rocky to be able to use any significant number of tractors. The Ministry of Agriculture now plans to replace most of the non-diesel tractors with diesel-powered machines and a tender was recently announced for 2,000 diesel engines. The Government will act as purchaser and distributor, receiving the old tractors in exchange for a small consideration, with lengthy credit terms extended on the remainder—Athens, April 10.

## Israel

MACHINE TOOLS—Turning tools, including drills, chasing tools, etc., for the metal industry will soon be produced in sufficient quantity to satisfy local demand and permit some export. The plant, now under construction, is being financed largely by private British capital—Athens, April 15.

WASHING MACHINES—Electric household washing machines are being produced in Israel for the first time, at the rate of 150 a month. The first export order for 300 machines has been received from Turkey—Athens, April 15.

CONCRETE TIES—Following successful trials with pre-stressed concrete railway ties, the Israel Railways have signed an agreement with a local factory for the production of pre-stressed concrete ties to replace the wooden ones on the country's rail network. Despite the greater initial cost, these concrete ties are preferred in Israel because of their greater durability—Athens, April 15.

## Mexico

WHEAT—This year's wheat crop will reach a record of 650 thousand metric tons, with 500 thousand tons harvested in the State of Sonora. Imports, which until a year ago averaged 300 thousand tons a year, will fall to 50,000 tons in 1954—Mexico, D.F., April 14.

WOOLLEN TEXTILES—Mexican production of woollen textiles has reached 4,429 metric tons a year, and of rayon 3,568 tons. Two thousand looms are being operated in the woollen textile industry; 9,902 looms in rayon and 37,500 looms in cotton textile manufacturing—Mexico, D.F., April 14.

COTTON—The 1953-54 cotton crop in Mexico will yield 1,193,116 bales, and the 1954-55 crop might reach a record of 1,303,000 bales, the Association of Cotton Growers reports—Mexico, D.F., April 14.

## Netherlands

OIL—Crude oil production in the Netherlands is now sufficient to cover 25 per cent of the country's requirements. The oil is refined by two large refineries at Rotterdam-Pernis which have an annual capacity of about 11 million tons. The Netherlands is now Europe's third largest exporter of oil products, shipping 4,693,900 tons valued at 658,400,000 guilders in 1952, and 4,144,400 tons worth 489,700,000 guilders during the period January-October 1953—The Hague, April 19.

## Philippines

NAILS—There are 12 nail factories in the Philippine Islands and the industry's average annual output is about 25 million lb. The industry operates some 300 nail-making machines with an estimated production capacity of 50 million pounds a year. Authorized capital is pesos 9·3 million; paid-in capitalization stood at pesos 4·34 million as of last August. Overproduction has forced some of the plants to suspend operations for as long as a year; others have to operate on a part-time basis. The industry also manufactures barbed wire, screws, nuts, bolts and steel bars. The United States, Japan and Belgium supply most of the raw materials—Manila, April 7.

## South Africa

GOLD AND URANIUM—Forecasts are for an increase in gold production of 5 million ounces valued at £60 million, with uranium output, estimated on a conservative basis, reaching £40 million by 1958. This extra £100 million should solve the Union's foreign exchange problem. The only ques
tion-mark is the supply of mine labour, but it ha
been improving—Cape Town, April 13.

## Spain

NYLON YARN—A new factory at Blanes, Asturia
has begun the manufacture of nylon yarn usin
Spanish raw materials. Press reports state that, i
the preliminary stage, monthly production will b
over five metric tons, increasing to 60 metric tons i
the next few months—Madrid, April 17.

ANTIMONY—An official journal reports tha
Spanish antimony production in 1952 was 1,31
metric tons, compared with 708 metric tons in 195
Madrid, April 17.

## Turkey

PAPER—A new paper mill unit has been complete
successfully tested and put in operation in Izm
(Marmara). The new plant, the third such unit
Turkey, will employ 2,500 workmen and is expect
to increase Turkey's present output of 10,500 to
of paper (including newsprint) to over 20,000 to
—Athens, April 8.

## United Kingdom

FIBRE ROCK WOOL—A new factory has be
opened in Stirling to make a long-fibre rock wo
known as "Rocksil". A well-known company w
asbestos interests is behind the venture, the first
its kind to be undertaken in Britain. This commod
will be used for heat, cold and sound insulation.
the raw materials required are available in lar
quantities in Scotland. The factory has a floor ar
of approximately 100 thousand square feet a
production will be at the rate of 25 million cu
feet a year—London, April 23.

## United States

MAINE SARDINE PACK—Production of stand
cans of Maine oil and mustard sardines for the 1
season was 1,845,000 cases. This was the sec
smallest pack in a sixteen-year period. Product
of five, eight, 15 and 16-ounce oval and round c
in mustard, tomato and other sauces amounted
320 thousand cases, bringing the industry-wide t
to 2,165,000 cases. In 1950, Maine's 43 plants pac
an all-time record of 3·9 million cases; in 1
production hit 3·2 million cases. Average pack
the past ten years has been about 2·7 million ca
Inventories are reported to be dwindling rapidly
a complete sell-out before the next packing seaso
predicted—Boston, April 29.

# Doing Business with the Belgian Government

*Canadian companies interested in tendering on Belgian Government contracts will find useful information in this outline of procedures followed in awarding contracts and in assessing penalties for late delivery or non-performance.*

K. G. RAMSAY, *Assistant Commercial Secretary, Brussels*

COMPANIES WHICH UNDERTAKE contracts with governments often discover that doing business in this way has its own special problems and pitfalls. Belgium provides a case in point, and Canadian businessmen who may be considering business relations with the Belgian Government should first understand the procedures which it follows.

## Belgian Companies Receive Preference

In letting a contract, the Belgian Government is bound strictly by a series of laws dating back to the nineteenth century. The general provisos of these laws are set out in the *Cahier General des Charges,* published in French and Flemish by the Office Central des Fournitures, 49 rue de Luxembourg, Brussels. A copy is kept on file in Ottawa.

Of two bids made on a tender, one from a Belgian company and one from a foreign company, common practice (not law) gives the former an advantage of seven to ten per cent. This measure does not necessarily reflect any "buy Belgian" attitude, but represents the premium the Government is willing to pay for the advantage of negotiating every phase of the contract under Belgian law.

I have attended a few of the public sessions where bids are examined and as a result I would recommend that an interested Canadian company have a representative on the spot who can shepherd its tender through the various stages.

## Calling for Tenders

Notice of all calls for tenders appears each week in the *Bulletin des Adjudications,* published by the *Moniteur Belge,* the Belgian equivalent of *Hansard.* Names of firms submitting tenders and the amount of each bid are published in the *Chronique des Travaux Publiques* which appears twice a week. Canadian companies who feel that their products might be competitive should see that their agents receive and examine these publications.

For security reasons, some national defence contracts are not published. Such contracts fall into two classes: first, "Demande de Prix," which is sent out to every firm that has indicated it is able to supply the goods or services needed; second, "Appel Restraint," which is sent out only to those firms that the organization concerned specifies. Canadian manufacturers of special technical equipment may bring their facilities to the attention of the appropriate branch of the Belgian Department of National Defence by writing directly to:

*For the Air Force:*
Ministère de la Défense Nationale,
Force Aérienne,
Direction des Marchés,
Place Dailly, Brussels.

*For the Army:*
Ministère de la Défense Nationale,
Force de Terre,
Service Général des Approvisionnements,
Place Dailly, Brussels.

*For the Navy:*
Ministère de la Défense Nationale,
Force Navale,
Service des Approvisionnements,
Place Dailly, Brussels.

A copy of any such letter should be sent to the Commercial Section, Canadian Embassy, Brussels, for follow-up purposes.

## Procedure in Awarding Contracts

A company interested in bidding on a particular contract must obtain the *Cahier Special des Charges,* which contains the pertinent information on which to base its bid. The form of the tender and the rules for submitting it are given in the *Cahier General des Charges.* Tenders may be submitted by registered mail or brought to the public meeting at which they are to be examined.

As soon as the meeting has been thrown open, the President declares that no more tenders will be admitted. He then proceeds to open and read aloud the bids and the names of firms submitting them. If there are several tenders in the lowest class, the winner is decided by lot.

### Execution of the Contract

It is well to remember that the firm whose bid is accepted is bound by the absolute letter of the contract in executing it. This is particularly important in the matter of the specified delivery date. If goods or services have not been delivered by the specified date, the department which will receive or inspect the goods is not allowed to extend the delivery date. It must immediately apply the delay penalty, or be liable to prosecution itself.

The *Cahier Special des Charges* always specifies the penalty for late delivery, but in most cases it is ½ per cent ad valorem (freight, insurance, duties and taxes included) per week of delay up to a maximum of 5 per cent.

### Risks Borne by Supplier

In spite of the general provisions laid down in the *Cahier General des Charges* certain government departments, because of their national importance, are empowered to impose the most extraordinary conditions on the supplier—conditions designed to eliminate all risk to the buyer by transferring it to the supplier. A firm whose offer on a project is acceptable may be told that, to be awarded the contract, it must agree to execute it at the price offered, in spite of any eventuality. The effect is to deny to the company any plea as an excuse for non-performance, including Acts of God or "force majeure".

The delivery date is a vital part of every contract. Provision has been made for extension of the delivery date, if the request is received before its expiry, by empowering some officers in the interested department to grant an extension of a certain fraction of the remaining life of the contract. A foreign company should understand the necessity of requesting an extension when it first becomes apparent that the original date cannot be met. Whether the extension is granted or not will depend upon the circumstances.

### Appeals against Penalties

Any fines charged to the supplier are collected by deducting them from his payment; this leaves it up to the supplier to prove that the fines are unwarranted. A sub-contractor is not recognized in considering the validity of an appeal against a penalty for non-performance.

A special body (Comité Supérieur de Contrôle) has been set up to hear appeals against fines which have been imposed. An appeal can only be based on one of the following points:

1. That there was no delay.
2. That the delay was less than claimed when the fin
was imposed.
3. That the supplier was not responsible for the delay

Points one and two are questions of fact which can b
easily determined and dealt with quickly and efficientl
on documentary evidence. Point three is the one whic
is most likely to be misunderstood. "Force majeure"
is the only plea which the tribunal recognizes as
basis for a decision in favour of the appellant. Th
tribunal interprets "force majeure" as an event outsid
the control of the appellant and which he could no
foresee.

### Cases in Point

The following cases may illustrate these points:

- A supplier was prevented from delivering his good
by the specified time because ice formed on the roa
and tied up his vehicles. His plea of "force majeure
was rejected because the Comité held that, at th
time of the year, the supplier should anticipate th
possibility of ice on the roads. By shipping early
shipping by rail, he could have avoided the delay.

- A foreign company was prevented from deliverin
goods to Belgium on time because the company
government instructed it to re-schedule its productic
to meet another order received after the Belgian co
tract. The company's plea of "force majeure" w
rejected because at the time the order was booked, t
company knew that its production schedule might
altered by higher authority. Therefore, by first clea
ing this order with higher authority or by negotiati
a delivery date late enough to take care of this eve
tuality, the contract could have been carried out
time.

In each of these cases, the individual Belgian offici
who had to deal with them seemed personally sy
pathetic to the company's problem and recognized
good faith of the parties concerned. Their sympat
was of no avail because these officials are bound
the terms of the *Cahier General des Charges*. In
second case, however, they pointed out that if
company had appealed for an extension before
expiry of the specified period, the extension mi
have been authorized.

Belgian Government contracts are well worth inve
gating, bearing in mind that it is best to negotiate
phases of such a deal under the supervision of
on-the-spot representative and remembering that
terms of a contract must be carried out to the lette

# Business and the Brussels Fair

*In 1953, Belgium came fifth as a market for Canadian goods—one reason why both the Canadian Government and private Canadian firms find the great Brussels Fair a worthwhile medium for promoting trade and goodwill.*

R. G. BROWN, *Canadian Government Exhibition Commission.*

THE BRUSSELS INTERNATIONAL TRADE FAIR, sponsored by the City of Brussels, ranks among the great fairs on Europe's spring calendar. Since 1935, it has been held in Centenary Park in the suburb of Heysel, about three miles from the centre of the city. There 13 attractive permanent buildings, in a beautiful setting of lawns, pools and flower beds, provide over 1,250,000 square feet of covered space. And there for the past five years the Canadian Government and Canadian firms have been exhibiting in the interests of our trade with Belgium which was, in 1953, our fifth best customer.

The Brussels Fair dates back to 1920, when Belgium was rebuilding her trade after the long years of war. It flourished until the outbreak of the Second World War, when fairs and fair-going ceased. Then, in 1947, the Fair again opened its doors. Last year it attracted 4,047 exhibitors from 28 different countries, 15,930 foreign visitors from 63 countries, and over a million visitors in all. West Germany led the foreign exhibitors in amount of space taken, followed by France, the United Kingdom, and the Netherlands. Canada ranked seventh. Exhibits are arranged under thirty different categories.

## Canada Becomes Exhibitor

At successive Fairs in the early twenties, a few Canadian companies displayed their products; in 1923, their stands showed Canadian fibre board, cream separators, garden tools, and valves. Official Canadian Government participation dates from 1950, three years after the Fair re-opened. Earlier the Canadian Commercial Counsellor made a survey and came up with facts that suggested increased Canadian-Belgian trade if we exhibited regularly at the Brussels Fair.

The first two Canadian displays, in 1950 and in 1951, concentrated largely on two-way trade between Canada and Belgium. The 1952 showing, however, told a straightforward export story, using as a central part of the design a ship loaded with goods consigned to Belgium. Many of these goods were actually supplied by Belgian agents for Canadian firms; others came direct from Canadian manufacturers. Another innovation was an unusually fine and representative exhibit of Canadian furs, from the raw pelts to the finished garments, in the textile section.

## Displays in 1953

Before the 1953 Fair, all Belgian representatives of Canadian firms were canvassed to see whether they wished to supply samples of Canadian products to be used in the official exhibit. The response proved so good that the designers of the stand were hard put to it to find space for everything. Nearly every Canadian export to Belgium was included—agricultural and domestic machinery, farm implements; tinned and other foodstuffs such as cheese, maple syrup, etc.; toys and dolls; plastics; antibiotics; aluminum, nickel, lead and zinc; industrial chemicals; pulp and paper; grain and seeds, and so on.

This particular exhibit seemed to have greater drawing power than almost any other foreign government display in the Hall of Nations, because it featured actual products. Many Belgians were surprised that Canada produced such a diversity of goods and that they could buy all the commodities on display in Belgium. Some eight Canadian firms, through their agents, exhibited electric stoves, washing machines, ironers, gas ranges, oil-burning stoves, whisky and gin, reamers, and fountain pens. Some sales were made at the Fair and prospects for future business appeared bright.

## Furs Featured

Over in the textile section, the Departments of Trade and Commerce and Agriculture, with the co-operation of the Canada Mink Breeders and the Canadian National Silver Fox Breeders Association, put on an unusual and attractive fur display. A winter scene complete with jaunty snowman provided the backdrop against which selected pelts of many types of fur and full-length coats, fur jackets or stoles in fox, mink, beaver, squirrel, muskrat and otter were displayed. A replica of the pearl platinum silver fox cape given to Princess Elizabeth on her visit to Canada in 1951 drew special attention. Members of the fur trade in

Belgium received individual invitations to visit this display and some brought their customers to see the made-up garments.

### This Year's Fair

The 1954 Brussels Fair opened on April 24th and closed on May 9th. For this showing, the Canadian Government leased additional space and once again the Brussels representatives of Canadian firms supplied commodities for display. Other agents took stands to show Canadian products. In addition, seven Canadian companies leased space to show their goods individually.

Manning of the exhibit, as before, was the responsibility of the Commercial Counsellor for Canada in Brussels. Last year the staff on duty reported about 133 trade inquiries, all of which were either answered on the spot or passed on to those who could supply detailed information. This year, interest seemed just as keen.

The official Canadian exhibits at the Brussels Fair year by year appear to be bringing results. The Belgian market is open to a wide variety of commodities and Canadian manufacturers and producers might well consider the advantages of exhibiting in their respective categories in co-operation with the Government's official exhibit. Any increase in the number of individual Canadian exhibitors makes our participation more effective and gives our trade officials a better opportunity to be of service to both buyer and seller. In fact, the Brussels Fair offers to Canadian exporters, individually or in co-operation with the Department, an excellent medium for placing what they have to offer before the thousands of people attending this important trade fair in the capital city of one of the most stable and prosperous countries in Europe. ●

# trade and tariff regulations

### Colombia

NEW CONSULAR REQUIREMENTS—By Decree No. 867, effective April 29, 1954, Colombia has changed the regulations concerning the legalization of consular invoices and other shipping documents as follows:

Shippers should present for legalization to the Colombian Consulate, or to the Consulate of a friendly nation where necessary, or where there is no Consulate to a Notary Public, all consular documents as well as shipping papers no later than 24 hours before the ship's or airplane's departure. Colombian Consuls may not visa the documents at any time after the ship's sailing or the plane's departure.

Merchandise arriving in Colombia without prescribed consular documentation due to papers not having been presented within the stipulated time will be subject to a fine of 5 per cent of the c.i.f. value with a minimum fine of 500 Colombian pesos (approximately $200 Canadian) even when they are free from duty or have been granted an exemption.

Merchandise arriving at a Colombian port without documents (because of their not having been presented before the time of departure) will be confiscated by the State.

As under previous regulations, Colombian customs houses will not accept documents with corrections, with parts crossed out or where the wrong forms have been used.

### Mexico

PESO DEVALUED—The Mexican peso was devalued April 19, from 8.65 to 12.50 pesos to the United States dollar. This represents a decrease in value of 44.5 per cent from the former rate in effect since June 1949.

In announcing the devaluation, the Mexican Secretary of the Treasury explained that the measure was designed to: (1) reduce imports of non-essentials, (2) increase exports, (3) discourage the export of capital, (4) encourage greater private investment, and (5) increase tourist revenues.

### New Zealand

RELAXATION IN IMPORT RESTICTIONS—On April 26th the New Zealand Government announced the following relaxation of import restrictions on goods imported from the dollar area:

*Items to be exempted from import licensing from all sources:*

Acetone
Amyl alcohol
Butyl alcohol
Bromine
Carbon bisulphide
Carbon tetrachloride and other chlorides of carbon
Chlorinated hydrocarbons n.e.i.
Catechu
Cochineal
Formic aldehyde, and solutions thereof
Fusel-oil
Gallnuts
Iodine
Liquorice in blocks of 7 lb. net and over, or soft liquorice extract in bulk in vessels capable of containing 7 lb. net or over
Phosphorus
Pyridine
Quinine and salts of quinine
Saffron
Turmeric, unground
Wood-naphtha, commercial
Nicotine and its salts
Calcium carbide
Sulphate of ammonia, crude and in bulk
Sodium chlorate
Machine knitting needles
Patent leathers
Lamps, miners' safety, and glasses therefor
Lenses, all kinds, unmounted, and without attachments
Dry flong for the manufacture of matrices
Emery-paper, emery-cloth, and glass-paper, cut into shapes, in rolls or in sheets
Chain-belting (not being conveyor chain or belting), loose-link, and other
Carbons or electrodes for electric furnaces; carbons for arc lamps
X-ray tubes
Chain saws
Tire retreading and re-capping equipment
Copper, iron, lead, tin and other metals (except copper-based alloys, type-metal and gold) in billets, blooms, ingots or pigs
Tool steel
Pipes, piping, tubes and tubing, n.e.i., of non-ferrous metal
Vegetable turpentine in vessels capable of containing 1 gallon or more
Carnauba, ouricury or licury waxes
Wooden casks in shook form, white oak and hard fir only
Veneers of Port Orford cedar or Douglas fir, on declaration that they will be used for making separators for electric storage batteries
Match splints, wooden
Diatomaceous earth

*New items in respect of which applications for licences to import from Canada and the United States will be considered:*

Canned fish
Men's and boys' overcoats n.e.i. (samples only)
Fur felt hat hoods
Nylon lace for lingerie manufacture
Kidskin leather
Pressure lamps, oil or gasoline
Box, carton and container board
Cellulose film
Paper hangings
Paper of approved qualities declared by a manufacturer for use by him in making toilet paper only
Hand-worked cultivators
Automotive cable
Electric hair-clipping machines
Hat blocks
Pressure stoves and irons, oil or gasoline
Oil-fired space heaters and functional parts therefor
Metal shafting, plain rolled or plain turned but otherwise unwrought
Metal sheet, perforated or cellular
Metal cordage, ferrous
Linseed oil
Soya bean oil
Veneers
Special air-ventilated plastic material for raincoat manufacture
Asphalt roofing shingles

*Principal items for which increased provision is being made for imports from Canada and U.S.A. in 1954:*

Inorganic acids
Antibiotics
Surgical and dental instruments
Elastics and tapes for corsetry and swim-suit manufacture
Textile piece goods, excluding knitted cotton piece goods
Nails, pegs, rivets, etc. for bootmaking
Copperized and oiled paper for fruit wraps
Ball and roller bearings
Agricultural implements
Electric motors (under 1 h.p. and over 5 h.p.)
Electric generators
Electrical appliances peculiar to surgery etc.
Radio tubes
Winding wires
Agricultural tractors
Industrial knitting machines
Industrial sewing machines (excluding plain sewers and overlockers)
Earthmoving equipment, the following: twin power scrapers, excavator units for truck mounting
Gasoline and diesel engines and spares
Type-casting machines
Spray painting equipment
Valves, high pressure
Refrigerating units
Iron and steel, sheet, plate (including rolled chequered plates) or hoop (except hoop 6 inches in width or over) plain, black, polished, galvanized, plated, tinned or otherwise coated with metal n.e.i.
Non-ferrous sheet, strip, etc.
Aluminum cable, steel reinforced
Copper welded wire
Copper cordage
Non-ferrous cordage
Nails and tacks n.e.i. etc. (except staples and clouts)
Plastic moulding powders

### Turkey

CUSTOMS TARIFFS—The new customs law of Turkey which has been under preparation for over a year will go into effect from June 6th, substituting ad valorem duties for assessment by weight. The new rates of duty are in most cases substantially higher than previous rates. Rates bound by GATT agreements are stated to remain unchanged until July 1955—Athens, April 22.

### United States

CUSTOMS AMENDS REGULATIONS ON MARKING—According to T.D. 53455 (Weekly Treasury Decisions of March 18, 1954), the United States Customs have amended section 11.8(d) of the Customs Regulations dealing with the method of marking to indicate the country of origin of an imported article, as follows:

"(d) Subject to the exceptions specified in section 304(a) (3), Tariff Act of 1930, as amended, each article classifiable under paragraph 354, 355, 357, 358, 359, 360, 361, or 1553 of that Act shall be marked legibly and conspicuously to indicate its origin by die stamping, cast-in-the-mold lettering, etching (acid or electrolytic), engraving, or by means of metal plates which bear the prescribed marking and which are securely attached to the article in a conspicuous place by welding, screws, or rivets. In the case of other classes of articles, the exact method of marking to meet the requirements of section 304, Tariff Act of 1930, as amended, is not specified in these regulations or elsewhere. When an article not classifiable under a paragraph specified above is required to be marked under section 304 to indicate its origin, any method of legible and conspicuous marking is acceptable which will remain on the article (or its container, when the container and not the article is required to be marked) until it reaches the ultimate purchaser. The marking must in all cases be legible and conspicuous and of a degree of permanency which will assure that in any reasonably foreseeable circumstance the marking, unless it is deliberately removed, will remain on the article (or its container) until it reaches the ultimate purchaser. For example, if chinaware is marked by means of paper sticker labels, the labels, legibly indicating the English name of the country of origin, must be affixed to the chinaware in a conspicuous place and so securely that unless deliberately removed they will remain on the chinaware while it is in storage or on display and until it is delivered to the purchaser at retail or other ultimate purchaser. Similarly, when tags are used, the tags, legibly indicating origin, must be attached in a conspicuous place and in a manner which assures that unless deliberately removed they will remain on the article until it reaches the ultimate purchaser."

### Venezuela

REGISTRATION PROCEDURE ALTERED FOR IMPORTED FOODSTUFFS—The Food Registration Section of the Venezuelan Department of Health and Social Welfare has made numerous minor changes in the procedure of applying for the sanitary registration of imported foods and beverages. This registration, and the allotment of a corresponding permit number to appear on each label, is a prerequisite in making commercial shipments to Venezuela of any product for human consumption which has been altered from its natural form.

Complete details of the registration procedure are available upon request from the International Trade Relations Branch of the Department of Trade and Commerce in Ottawa—Caracas, April 22.

## trade commissioners on tour

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions here and to renew their contacts with businessmen. Details of their itineraries appear under this heading, as a service to exporters and importers who wish to discuss trading problems with them.

W. D. WALLACE, Commercial Secretary in Djakarta, Indonesia, began his Canadian tour in Ottawa on March 3rd and completes it in Winnipeg, June 17th and Vancouver, June 22nd to 30th.

Businessmen in these centres may get in touch with Mr. Wallace through the Canadian Manufacturers Association in Winnipeg and the Department of Trade and Commerce in Vancouver (355 Burrard Street).

# head office directory

## *Department of Trade and Commerce*

***This directory is intended as a useful reference for the business man who wishes to consult head office personnel on particular problems. Correspondence should be addressed to the heads of branches or divisions. Local government telephone numbers follow each name. (In Ottawa dial 9, followed by the local; when calling from out of town call the Government, 2-8211, and ask for the local only.)***

| **No. 1 Building, 375 Wellington Street*** | Gov. Local |
|---|---|
| Minister: The Rt. Hon. C. D. Howe, P.C., M.P. | 3693 |
| Deputy Minister: Wm. Frederick Bull | 6748-2326 |
| Executive Assistant: H. A. Gilbert | 2380 |
| Trade Policy Adviser: H. R. Kemp | 5151 |
| Associate Deputy Minister: M. W. Sharp | 2888-5838 |
| Economic Adviser: O. J. Firestone | 4176 |
| Assistant Deputy Minister: Oliver Master | 2421 |
| Comptroller-Secretary: Finlay Sim | 2262 |

### Economics Branch

| | |
|---|---|
| Director: V. J. Macklin | 5658 |
| Associate Director: Dr. J. Davis | 7372 |

### Trade Commissioner Service

| | |
|---|---|
| Director: John H. English | 2530 |
| Assistant Director for Foreign Service Operations: L. H. Ausman | 6800 |
| Assistant Director for Economic Planning and Co-ordination: J. P. Manion | 8286 |
| Area Trade Officers | |
| Asia and Middle East: J. P. Manion | 8286 |
| Commonwealth: Wm. Jones | 2144 |
| Europe: K. Nyenhuis | 0436 |
| Latin America: A. Savard | 7641 |
| United States: A. Savard | 7641 |
| Assistant Director for Administration and Finance: M. Grant | 3058 |

Western Representative: H. L. E. Priestman, 355 Burrard Street, Vancouver, B.C.
Newfoundland Representative: Stott Bldg., St. John's, Newfoundland.

### Commodities Branch

| | |
|---|---|
| Director: Denis Harvey | 5417 |
| Special Assistant: A. L. Neal | 8269 |
| Assistant Director (Export Promotion): J. P. C. Gauthier | 6519 |

#### Import Division

| | |
|---|---|
| Director: C. F. McGinnis | 7163 |

#### Transportation and Trade Services Division

| | |
|---|---|
| Director: A. P. Bissonnet | 6236 |
| Export and Import Permit Section | |
| J. G. MacKinnon | 3640 |
| Processing Officers: | |
| Steel, non-ferrous metals, machinery, automobiles, all strategic materials: S. C. Cooke | 6976 |
| Textiles, lumber, chemicals, rubber products, leather: K. A. Peaker | 5508 |
| Imports and Office Supervisor: L. M. Lang | 6991 |
| Directories Section: Miss K. Griner | 6681 |
| B.W.I. Trade Liberalization Plan Section: G. L. Tighe | 6905-5670 |
| U.K. Token Import Plan Section: A. E. Fortington | 5680 |
| Transportation and Communications Section: H. A. Hadskis | 2737 |
| Traffic: J. H. Longfellow | 7835 |

---

* *Unless otherwise noted, all officers of the Department are in No. 1 Building.*

### Commodity Divisions

| | Gov. Local |
|---|---|
| Machinery and Metals Division | |
| Chief: E. C. Thorne | 4082 |
| Machinery and Plant Equipment: J. R. Johnson | 7546 |
| Non-ferrous Metals: A. M. Tedford | 5159 |
| Industrial Minerals: E. J. Bonkoff | 5823 |
| Iron and Steel: J. M. Rochon | 8422 |
| Automotive and Agricultural Equipment: G. C. Clarke | 3873 |
| Forest Products and Chemicals Division | |
| Lumber and Manufactured Wood Products: J. C. Dunn | 0273 |
| Logs and Lumber Products: R. Bonnar | 4863 |
| E. J. White | 5127 |
| Chemicals and Allied Products: S. G. Barkley | 7601 |
| Vegetable, Animal and Marine Oils and Fats, Petroleum and Products: R. T. Elworthy | 5177 |
| Consumer Goods Division | |
| Chief: D. G. W. Douglas | 6197 |
| Toys, Recreational Products, Musical Instruments: P. G. Jones | 4160 |
| Electrical Appliances, Sewing Machines: W. H. Grant | 3209 |
| Office, Hospital, Radio, Scientific and Surgical Instruments: A. C. Fairweather | 7815 |
| Handicrafts, Photographic Equipment, Jewellery: P. E. Jensen | 5337 |
| Plumbing, Heating and Hardware Products: G. W. Rahm | 6958 |
| Textiles, Fibres and Products: G. R. Poley | 3004 |
| Wearing Apparel: E. G. Gerridzen | 5378 |
| Leather and Rubber Products: F. T. Carten | 0518 |
| Imported Foods: E. B. Paget | 4161 |

## Agriculture and Fisheries Branch

| | |
|---|---|
| Director: G. R. Paterson | 4301 |
| Assistant Director: W. B. McCullough | 3980 |
| Agricultural Products | |
| Plants and Plant Products: G. F. Clingan | 7523 |
| Livestock, Dairy and Poultry Products: K. L. Melvin | 3172 |
| Animal Products: A. J. Stanton | 5859 |
| Fish and Fish Products: T. R. Kinsella | 7385 |

### Grain Division

| | |
|---|---|
| Chief: G. N. Vogel | 5830-5648 |
| R. M. Esdale | 5830-5648 |

## International Trade Relations Branch

| | |
|---|---|
| Director: C. M. Isbister | 2250-4042 |
| Assistant Director: B. G. Barrow | 2250 |
| H. V. Jarrett | 5642 |
| European and Latin American Area | |
| Chief: M. Schwarzmann | 7594 |
| A. M. Baldwin | 8727 |
| R. E. Latimer | 7696 |
| F. P. Weiser | 5642 |
| Sterling Area | |
| H. K. Potter | 8469 |
| W. Lavoie | 653 |
| E. J. McMeekin | 8727 |
| R. B. Nickson | 7594 |
| United States Area | |
| B. S. Shapiro | 8469 |
| B. O'Neill | 7696 |

## Information Branch

| | |
|---|---|
| Director: H. Leslie Brown | 2479-6394 |
| Assistant Director: J. Fergus Grant | 218 |
| Editor, *Foreign Trade* and *Commerce Exterieur:* Miss O. Mary Hill | 658 |
| Advertising: Roy A. Abrahamson | 643 |

## Translation Branch

| | |
|---|---|
| Chief: J. C. Letellier de St-Just | 276 |
| M. Roy | 276 |

## Industrial Development Division

| | |
|---|---|
| Director: G. D. Mallory | 381 |
| Assistant Director: B. R. Hayden | 788 |
| Technical Officer: W. J. Moloughney | 590 |

## Dominion Bureau of Statistics

| **Holland Ave.** | Gov. Local |
|---|---|
| Dominion Statistician: Herbert Marshall | 6371-2529 |
| Assistant Dominion Statistician: J. T. Marshall | 7695 |
| Assistant Dominion Statistician: S. A. Goldberg | 5458 |
| Agricultural Division | |
| Director: C. V. Parker | 4774 |
| Census Division | |
| Director: O. A. Lemieux | 2088 |
| Education Division | 5933 |
| General Assignments Division | |
| Director: H. L. Allen | 4052 |
| Health and Welfare Division | |
| Director: F. F. Harris | 6651 |
| Information Services Division | |
| Canada Year Book and Canada Hand Book | 5894 |
| Director: C. C. Lingard | 0418 |
| Industry and Merchandising Division | |
| Director: H. McLeod | 2125 |
| International Trade Division | |
| Director: C. D. Blyth | 8340 |
| Labour and Prices Division | |
| Director: H. F. Greenway | 7424 |
| Mechanical Tabulation Division | |
| Director: C. Scott | 7368 |
| Public Finance and Transportation Division | |
| Director: J. H. Lowther | 5396 |
| Research and Development Division | |
| Acting Director: F. H. Leacy | 3071 |
| Special Surveys Division | |
| Director: A. B. McMorran | 5570 |

## Standards Branch

**West Block, Wellington St.**

| | |
|---|---|
| Director: R. W. MacLean | 2132 |
| Assistant Directors | |
| Electricity and Gas: E. F. Power | 2956 |
| Weights and Measures: C. S. Phillips | 2000 |
| Commodity Standards: O'Neill O'Higgins | 6721 |
| Precious Metals Marking, and Enforcement: W. L. Berry | 7075 |

## International Economic and Technical Co-operation Division (Colombo Plan)

**No. 4 Building, Lyon St.**

| | |
|---|---|
| Administrator: Nik Cavell | 8495 |
| Assistant Administrator: R. W. Rosenthal | 8429 |
| Technical Co-operation Service | |
| Chief: D. W. Bartlett | 5542 |
| Assistant Chief: J. T. Hobart | 8662 |

## Canadian Government Exhibition Commission

**479 Bank St.**

| | |
|---|---|
| Director: Glen Bannerman | 3558 |

## Export Credits Insurance Corporation

**Birks Bldg., 107 Sparks St.**

| | |
|---|---|
| General Manager: H. T. Aitken | 2-4828 |
| Chief Credit Officer: A. W. Thomas | 2-4828 |
| Secretary: T. Chase-Casgrain | 2-4828 |

*The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.*

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·01394.

# foreign exchange rates

| Country | Unit | Type of Exchange | Canadian dollar equiv. April 30 | Notes (See below) |
|---|---|---|---|---|
| Argentina | Peso | Preferential buying | ·1315 | |
| | | Basic buying | ·1973 | |
| | | Preferential selling | ·1973 | (1) |
| | | Basic selling | ·1315 | |
| | | Free | ·07099 | |
| Austria | Schilling | | ·03793 | |
| Australia | Pound | | 2·2250 | |
| Belgium Luxembourg & Belgian Dependencies | Franc | | ·01958 | |
| Bolivia | Boliviano | Official | ·01519 | |
| British West Indies | Dollar | | ·5794 | (3) |
| | Pound | | 2·7812 | (4) |
| | Dollar | Brit. Honduras | ·6953 | |
| Brazil | Cruzeiro | Official selling | ·05240 | tax 8% |
| | | Effective buying | ·03478 | (2) |
| | | Coffee buying | ·04222 | (5) |
| Burma | Kyat | | ·2071 | |
| Ceylon | Rupee | | ·2086 | |
| Chile | Peso | Official | ·00897 | (1) |
| Colombia | Peso | Basic | ·3945 | |
| Costa Rica | Colon | Official | ·1756 | (6) |
| | | Controlled free | ·1485 | |
| Cuba | Peso | | ·9862 | tax 2% |
| Czechoslovakia | Koruna | | ·1370 | |
| Denmark | Krone | | ·1428 | |
| Dominican Republic | Peso | | ·9862 | |
| Ecuador | Sucre | Official | ·06575 | |
| | | Free | ·05691 | |
| Egypt | Pound | | 2·8321 | |
| Fiji | Pound | | 2·5056 | |
| Finland | Markka | | ·00429 | |
| France | Franc | | ·00282 | (7) |
| French Africa | Franc | | ·00564 | (8) |
| French Pacific | Franc | | ·01551 | (9) |
| Germany | D Mark | | ·2348 | |
| Greece | Drachma | | ·000033 | |
| Guatemala | Quetzal | | ·9862 | |
| Haiti | Gourde | | ·1973 | |
| Honduras | Lempira | | ·4931 | |
| Hong Kong | Dollar | Free | ·1696 | *April 15 |
| Iceland | Krona | Official | ·06056 | |
| | | Special buying | ·04663 | |
| | | Special selling | ·03756 | |
| India | Rupee | | ·2086 | |
| Indonesia | Rupiah | Basic | ·08651 | (10) |
| Iran | Rial | Certificate | ·01093 | |
| Iraq | Dinar | | 2·7615 | |

---

* Latest available quotation date.

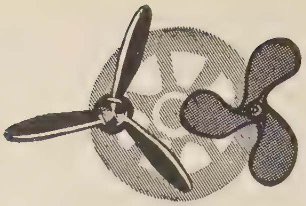
| Country | Unit | Type of Exchange | Canadian dollar equiv. April 30 | Notes (See below) |
|---|---|---|---|---|
| Ireland | Pound | | 2·7812 | |
| Israel | Pound | Effective basic | ·9862 | |
| | | Premium | ·5479 | |
| Italy | Lira | | ·00158 | |
| Japan | Yen | | ·00274 | |
| Lebanon | Pound | Free | ·3075 | |
| Mexico | Peso | | ·07890 | |
| Netherlands | Guilder | | ·2607 | |
| Netherlands Antilles | Guilder | | ·5230 | |
| New Zealand | Pound | | 2·7812 | |
| Nicaragua | Cordoba | Effective buying | ·1494 | (11) |
| | | Official selling | ·1399 | |
| | | With Surcharge I | ·1225 | |
| | | With Surcharge II | ·09813 | |
| Norway | Krone | | ·1381 | |
| Pakistan | Rupee | | ·2981 | |
| Panama | Balboa | | ·9862 | |
| Paraguay | Guarani | Basic | ·06575 | (1) |
| | | With Surcharge I | ·04696 | |
| | | With Surcharge II | ·03287 | (12) |
| Peru | Sol | Certificate | ·05110 | |
| Philippines | Peso | | ·4931 | tax 17% (2) |
| Portugal | Escudo | | ·03442 | (13) |
| El Salvador | Colon | | ·3945 | |
| Singapore & Malaya | Straits dollar | | ·3245 | |
| South Africa (Union of) | Pound | | 2·7812 | |
| Spain & Dependencies | Peseta | Basic buying | ·04503 | |
| | | Basic selling | ·08790 | |
| | | Basic commercial selling | ·06004 | (1) |
| | | Free | ·02532 | |
| Sweden | Krona | | ·1906 | |
| Switzerland | Franc | | ·2301 | |
| Syria | Pound | Free | ·2708 | *March 9 |
| Thailand | Baht | Official | ·07890 | (1) |
| | | Free | ·04732 | *Feb. 19 |
| Turkey | Lira | | ·3522 | |
| United Kingdom | Pound | | 2·7812 | |
| United States | Dollar | | ·9862 | |
| Uruguay | Peso | Official | ·6493 | |
| | | Basic buying | ·5541 | |
| | | Special buying | ·4197 | (1) |
| | | Basic selling | ·5191 | |
| | | Special selling | ·4025 | |
| Venezuela | Bolivar | | ·2944 | (14) |
| Yugoslavia | Dinar | | ·00329 | |

* Latest available quotation date.

## notes

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only; certain essential imports exempt.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Brazil: Effective import rate is official rate plus free certificate rate. Certificate rate varies according to commodity.
6. Costa Rica: Official rate applies to all Costa Rican exports.
7. Metropolitan France, Algeria, Tunisia, Morocco, French Guiana, Guadeloupe, Martinique.
8. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
9. New Caledonia, New Hebrides, Oceania.
10. Indonesia: Basic rate applies to all exports and essential imports. Rupiah value for other than essential imports is reduced by 33⅓ per cent, 100 per cent or 200 per cent depending on product.
11. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
12. Paraguay: Basic rate applies to most Paraguayan exports.
13. Approximately same rate for currencies of Portuguese Territories in Africa.
14. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

# transportation notes



### Egypt

RAILWAY DEVELOPMENT—Indications of the scope of future purchases by the Egyptian State Railways are given in a report prepared by a technical committee formed to map out a ten-year program. The committee has recommended the expenditure of £E.60 million, a large portion of which is to be spent on new rolling stock and railway ties. The principal items include purchase of 25 diesel locomotives and 90 passenger cars each year, until a total of 250 locomotives and 600 cars is reached. Some 5,000 freight cars will also be needed. Other expenditures include the replacement of 2,000 kilometres of track and 1,300 kilometres of ties—Cairo, April 2.

### Greece

ETHIOPIAN AIR SERVICE—The state-owned Ethiopian Air Lines has extended its flights to Greece, with intermediate stops at Hartum, Wadi Halfa, Asmara, Port Sudan and Cairo. The weekly schedule of two round trips provides the only direct connection between East Africa and the Mediterranean. TWA crews and administrative personnel on loan to the Ethiopian Government have been organizing the service and manning the planes. A Convair aircraft carrying Ethiopian officials, officers and press representatives arrived in Athens this week to inaugurate the service—Athens, April 7.

### Israel

GERMAN RAILROAD EQUIPMENT ORDERED—Seven express trains, which would permit an hourly service between the three main cities of Jerusalem, Tel-Aviv and Haifa, have been ordered in Western Germany with Jewish Reparation Agreement funds. Special shuttle engines, plus a network of railroad traffic signs, have also been ordered. The total cost is put at 25·2 million marks, and the equipment is expected to be in operation by 1955—Athens, April 2.

### Pakistan

INTERNATIONAL AIR SERVICE—Pakistan aviation enters a new phase with the recent arrival in Karachi of the first of three *Super-Constellations* ordered from the United States. The new government-sponsored and financed Pakistan Internationa
Airlines will shortly begin a rapid passenger-freigh
service between Dacca and Karachi, thus linking th
two wings of the country more closely. Later it
planned to operate an international service to Lon
don via Damascus. Pakistan personnel are unde
going training in the United States and with KL
in the Netherlands in preparation for this expansi
of air services—Karachi, April 6.

### Rhodesia and Nyasaland Federation

AIR LINK WITH SOUTH AFRICA—A new no
stop flight between Salisbury and Durban will pr
vide a direct link between the Durban holiday coa
and Rhodesia. The service, which began on April 3
will operate weekly but it is hoped to extend it
include low-priced excursion fares to encoura
Rhodesians to use the route. Over 70,000 Rhodesia
visited the Union last year—Cape Town, April 6.

### South Africa

RAILWAY EARNINGS—Railway estimates
expenditure for the year 1954-55 include £13
million from revenue and £33·7 million on capi
and improvement works. The estimate of expen
ture for the coming year represents an increase
£6 million over the previous year's expendit
from revenue, and a decrease of £6·1 million
capital and improvement works—Johannesb
April 9.

### Turkey

BOSPORUS BLOCKED—For the first time in
last 1,200 years it was possible to walk across f
Europe to Asia on and after February 26th, tha
to the huge icefield which drifted into the Bosp
from the Black Sea. A number of ships were ca
among the ice floes, while others on their way
Black Sea ports lay over at Istanbul. Army
navy units worked hard to clear a path among
glaciers. For fear of accidents, local ferry sail
were allowed only for a few hours in the aftern
port services were hindered and sailing sched
seriously delayed—Athens, March 31.

*whichever way*
*you look at it . . .*

N
E
W

# NEW ZEALAND

E
A
L
A
N
D

. . . New Zealand is an important market for Canadian exporters. On April 26, New Zealand relaxed restrictions on the import of a substantial number of goods from dollar countries. Many Canadian exporters now have the opportunity to re-open or expand their market in this Commonwealth country.

For details of this trade relaxation, see the Trade and Tariff Regulations section of this issue of *Foreign Trade*, or write to the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

CHICAGO PUBLIC LIBRARY, 12-53
DOCUMENTS DEPT.
78 E. WASHINGTON ST.
CHICAGO 2, ILL. U.S.A.
6C14239 4-5-80-

MAY 29, 1954

# foreign trade

NEW ENGLAND as a MARKET for LUMBER (page 11)

2 Delmar Chemicals for Export
4 Trends in Switzerland's Foreign Trade
7 Venezuela Continues Its Progress
9 Commodity Notes
11 New England as a Market for Lumber
13 Southern Forests and Their Products
15 Cuba Buys Lumber and Plywood
16 Montreal: Canada's Leading Port
18 Guadeloupe and Its Trade Pattern
20 Italy Imports Less Fish
21 Italy and Its Foreign Markets
23 Business in the American Midwest
25 Chicago's Merchandise Mart
26 Trade and Tariff Regulations
28 Trade Commissioners on Tour
29 Foreign Trade Service Abroad
34 Foreign Exchange Rates
36 General Notes

CANADA

# foreign trade

Established in 1904

Published fortnightly by the Department of Trade and Commerce.
The Right Honourable C. D. HOWE, Minister,
WM. FREDERICK BULL, Deputy Minister.

**OTTAWA, MAY 29, 1954, Vol. 101, No. 9**

Please forward all subscriptions and orders to:
The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad.
Single copies: 20 cents each.

Material appearing in this magazine may be freely reprinted, preferably giving credit to "Foreign Trade"

**cover** A giant hammer-head crane deposits another plank on a pile of Canadian Douglas fir lumber awaiting export. Some of it will go to New England, where Douglas fir and hemlock are moving up in price. For a report on the New England market for both softwoods and hardwoods, see page 11.

—NFB Photo

# Delmar Chemicals for Export

*Are you hestitating about launching out into the export market? The experience of this small manufacturer of pharmaceutical chemicals who finds export profitable may prove encouraging to other firms.*

H. LESLIE BROWN, *Director, Information Branch.*

ABOUT THIRTEEN YEARS AGO a new Canadian, G. S. Delmar, opened a plant at Lachine, Quebec, and began producing chemicals for the pharmaceutical industry—chemicals used in compounding various finished products. The new company, Delmar Chemicals Limited, then had only two employees; today it has 22. Talk to Mr. Delmar about this achievement and you will discover that he gives much of the credit for this to his cultivation of foreign markets.

From the outset, Mr. Delmar, as a trained chemical engineer, recognized that he could not hope either to make a wide range of chemicals or to sell in large volume, because either would call for too heavy an outlay on plant and equipment. He therefore decided to concentrate on chemicals used in small quantities and relatively high-priced. This course permitted a modest investment in equipment. He continues to manufacture and sell chemicals alone and has made no attempt to enter the field of processing chemicals to the point of final pharmaceutical products.

### Sales Problem

Mr. Delmar carefully examined the problem of sales because the outlets for his products in Canada were limited. The implications of this were clear: he would have to keep adding new products to his list, and he would have to look for markets outside Canada.

The restrictions and shortages of the war years made progress difficult and by 1945, employees numbered only four. Then came the turn in Delmar's fortunes. In 1946 the company was incorporated, facilities were expanded, and efforts were renewed to build up business in Canada and abroad. The pattern of operations did not change but volume was on the increase and has continued to expand. Sales in Canada rose steadily and export sales grew at the same pace. In fact, exports throughout these years have been maintained consistently at about 50 per cent of total sales.

On the subject of exports, Mr. Delmar is frank. "Our experience was obtained the hard way—as we went along. You can build up an export business even without previous experience as long as you do not mind the additional and unavoidable bother and complications.

"Our efforts to build up exports to the United Kingdom and the United States," he says, "were practically hopeless. The former remains closed because of foreign exchange difficulties and the latter as a result of the rates of import duty. The duty on most of our products entering the United States was 45 per cent up to about two years ago, when it was reduced to 25 per cent. Even that is still heavy enough to make our competitive situation practically hopeless."

Where are the export markets found? "In other countries we were able to compete. Initially it was mostly the Central and South American countries which proved to be good markets. South America was the obvious choice as an export market because, after the war ended, countries in South America had dollars available for imports. Of course any countries with little or no pharmaceutical industry would not be a promising market for us because they import the finished product. Obviously we looked for markets with a fairly well developed pharmaceutical industry but with relatively little manufacturing of basic chemicals.

"As time went on we extended our operations to a few countries in Europe and recently to the Far East, including the Philippines and Japan. In some cases, the resurgence of chemical production in Europe, and especially in Germany, has brought some dropping away of business."

### Agents Abroad

Mr. Delmar states explicitly that he considers export operations a vitally important part of his business activities. "We feel that export also has its compensations beyond the value which can be expressed in dollars and cents. We are working in other countries through agents whom we consider as members of our firm. We give them as much information as we possibly can, not only on our products but also on our plans for new items."

Because its sales efforts consist largely of technical information and service, Delmar expects its agents to be in constant touch with all customers and to offer them commercial and technical advice in the same way that the company serves its customers in

Canada. With a specialized product, Delmar finds that many Canadian and foreign customers seek assistance whenever they are in need of an item which they feel the firm might be interested in producing.

### Unexpected Benefits

This means that the Lachine firm is provided with a continuous flow of information on new developments in other countries and is kept informed about new trends. Because pharmaceutical and medical practice are undergoing continual change and products useful yesterday are discarded for better ones today, the stimulus of having not mere salesmen but a kind of intelligence service is more than satisfactory. "Quite frequently we have been able to be of service to a customer—for example, in Mexico—by having previously received information on some new products, perhaps from Italy, and vice versa."

With the continually changing pattern of drugs being used, the Canadian firm must always carry on research and development work. As a corollary, it has constantly to drop items from its list in favour of new products. "The reports received from our agents are exceedingly helpful in making decisions about which new products to add to our list."

### Assistance from Trade Commissioners

"It is obvious that the choice of our agents is of crucial importance," said Mr. Delmar. "It is at this point that I will have to discuss at some length the service which we obtain from the Canadian Trade Commissioners. Practically all our agents have been engaged following recommendations from the Canadian Trade Commissioners in their respective countries. When we first started our export operations, we approached the Trade Commissioners explaining our activities, describing the type of agent which we felt would be best for our purposes, and requesting their recommendations. In most cases these recommendations proved to be excellent and in the odd case when the agent did not come up to our expectations, it was again with the help of the Canadian Trade Commissioners that we were able to find the right person.

"We used every opportunity to meet the Canadian Trade Commissioners when they came to Canada for a tour. These personal conversations were also very helpful because they gave us a better insight into conditions in the various countries. I am always much impressed by the length to which the Canadian Trade Commissioners are prepared to go to be of service.

"There was one extreme case, for instance, when we suddenly found ourselves with not one but two agents. Each of them claimed that he had our exclusive agency even though we felt that, based on the correspondence we had with them, neither had the right to assume that we expected him to act in such a capacity. What a situation! When one is conducting business by correspondence, such misunderstandings can arise. When they do, they can be exceedingly troublesome. Naturally we did not want to hurt either the company's reputation or that of Canada, which should be cultivated by every exporter and which is very high. With the help of the Canadian Trade Commissioner on the spot, who was able to discuss these matters directly with the agents, we got the somewhat confused situation under control.

"In another case, one of our customers in South America wanted to contract for a rather large quantity of a chemical which at that time we did not produce. In fact, we were reluctant to begin making it because we did not expect to have other outlets for it. To buy the necessary equipment and begin production for this single customer seemed risky. The country had rather stringent import regulations at that time and there seemed to be no guarantee that the import licence would be forthcoming for the quantity which this customer wanted. We did not mistrust our agent, who assured us that things would run smoothly, but we were still reluctant to go along with the plan. Instead we explained the whole business to the Canadian Trade Commissioner there. By that time we were prepared to rely on the Canadian Trade Commissioner to do practically everything that a member of our firm would do. But we were surprised to see that he investigated the whole proposition from every angle, discussed it with our agent, with the customer and with the authorities. Then he gave us a lengthy report which enabled us to make the right decision.

### Canada's Reputation High

"I think I should also say a few words about the stature of Canadian manufacturers abroad, because we have found that the excellent reputation which Canada enjoys is a real help in promoting Canadian goods for export. It is not unusual for us to obtain orders at equal, and sometimes even at a slightly higher, price in the face of competition simply because our products are Canadian. In my somewhat infrequent trips abroad I have also found that it is not only the quality of the Canadian goods but also the economic and political stability of this country which arouses the envy and admiration of business men all over the world. Naturally such a reputation makes export activities easier."

### Standard of Quality

In conclusion Mr. Delmar added a final important comment: "It perhaps goes without saying that a continuous export business and repeat orders can be anticipated only if the proper technical service is forthcoming from the manufacturer and if the goods supplied are quality products, meeting all reasonable specifications. A large part of our success in building and maintaining our export markets is undoubtedly the fact that we are always very jealous of the quality of our products."●

# Trends in Switzerland's Foreign Trade

*Since 1948, Swiss exports have risen consistently, reaching a new high in 1953 and turning the traditional foreign trade deficit into a surplus.*

YVES LAMONTAGNE, *Commercial Counsellor, Berne.*

THE OUTSTANDING FEATURE of Switzerland's foreign trade is that imports usually exceed exports. At the beginning of 1954, however, the Swiss found themselves in the exceptional position of possessing a favourable balance of trade. This in itself indicates that normal trading conditions have not yet been re-established following the changes brought by the Korean war. The war checked a down-trend in the economy which began about mid-1948 and heralded a new prosperity, when world rearmament sharpened the demand for Swiss products. Exports reached their peak in 1953, with the value 50 per cent higher than in 1949.

### Effects of Korean War

When the war in Korea broke out in 1950, the Swiss immediately began to accumulate stocks of raw materials and foodstuffs, fearing that the war might spread to Europe or other parts of the world. Switzerland, because of its geographical position, is particularly vulnerable to the effects of war because it depends so largely on imports of commodities which it cannot produce. Rising prices also contributed to the increase in imports in 1950. Imports reached their peak in 1951 and this resulted in the largest unfavourable balance of trade since 1948.

During 1951 the upward trend in prices on the international market—and particularly for a number of raw materials—was reversed. This downtrend continued in 1952 and buyers became more cautious. Switzerland reduced its imports considerably in 1952 and drew upon the stocks accumulated since 1950. Imports dropped again in 1953 but not as steeply as in 1952 because a number of branches of Swiss industry (textiles and chemicals, for instance) resumed purchasing on a larger scale. The 1953 imports of a number of products, however—such as coal, structural steel, raw iron and steel, steel sheets, and raw copper—fell considerably below what might be considered normal. The decrease in imports during 1953 seemed to stem from the fall in prices of a series of commodities rather than from a decrease in volume.

**Evolution of Switzerland's Foreign Trade**

| Year | Imports | Exports | Balance |
|---|---|---|---|
| | (in thousand Swiss francs) | | |
| 1953 ...................... | 5,070,685 | 5,164,609 | + 93,724 |
| 1952 ...................... | 5,205,683 | 4,748,932 | — 456,751 |
| 1951 ...................... | 5,915,529 | 4,690,879 | —1,224,650 |
| 1950 ...................... | 4,535,927 | 3,910,903 | — 625,024 |
| 1949 ...................... | 3,791,033 | 3,456,733 | — 334,300 |
| 1948 ...................... | 4,998,895 | 3,434,360 | —1,564,535 |
| 1947 ...................... | 4,820,015 | 3,267,566 | —1,552,449 |

It is likely that imports will rise in 1954 and that exports will fall—with a return to the traditional unfavourable balance of trade.

Switzerland's balance of trade for 1953 was favourable by approximately $21 million; in 1952 the unfavourable balance totalled about $105 million.

Switzerland has a trade per capita which is exceeded by few countries. With a population close to five million, imports in 1953 amounted to $233 per capita and exports to $237.

### Nature of Swiss Foreign Trade

More than 50 per cent of Switzerland's exports b value consist of manufactured goods, with the emphasi on machinery and apparatus. In this category, watches clocks and parts come first (21·4 per cent of tota exports), closely followed by machinery, 20·1 pe cent of the total. The next in importance are chemical and textiles.

Principal category of imports is animal and vegetabl products, primarily foodstuffs and feedstuffs, and th

**Swiss Trade by Main Categories, 1953**

| | Imports<br>$ | Exports<br>$ |
|---|---|---|
| Animal and vegetable products.... | 338,543,139 | 80,373,01 |
| Wood, paper and products........ | 44,889,857 | 21,914,87 |
| Textiles, rubber and products.... | 170,264,371 | 195,971,04 |
| Minerals, metals and products.... | 256,088,855 | 88,077,2 |
| Machinery and apparatus ........... | 206,806,030 | 582,413,0 |
| Chemicals and products ............. | 117,091,672 | 201,154,2 |
| Tobacco and products................. | 17,668,688 | 12,762,2 |
| Products not specified elsewhere | 14,905,046 | 5,194,4 |
| Total .. .. ... ..... . .. | 1,166,257,658 | 1,187,860,1 |

second largest is minerals, metals and products. A comparison of imports with exports under these two categories brings out the fact that Switzerland has few raw materials and that its agricultural production fails in large measure to meet its need for foodstuffs.

The table below breaks down the total import and export figures into three main categories, together with the percentage of total trade, and shows that fully manufactured goods make up about 91 per cent of Swiss exports.

About 60 per cent of Switzerland's foreign trade is carried on with the countries in the European Payments Union.

Imports from North and South America amounted to 23·9 per cent of total imports in 1953; the United States was the principal supplier, followed by Canada. Switzerland's exports to the Americas in 1953 represented 26·4 per cent of global exports. A decrease of $50 million in imports from the United States was one of the main features of Switzerland's trade in 1953.

### Exports and Imports by Main Categories

| | *Foodstuffs, feedstuffs and beverages* | | *Raw materials* | | *Finished products* | |
|---|---|---|---|---|---|---|
| | *Value* | *Per cent* | *Value* | *Per cent* | *Value* | *Per cent* |
| | | | *(values in millions of francs)* | | | |
| | | | *Imports* | | | |
| 1953 | 1,258 | 24·8 | 1,681 | 33·2 | 2,132 | 42·0 |
| 1952 | 1,199 | 23·0 | 2,044 | 39·3 | 1,963 | 37·7 |
| 1951 | 1,354 | 22·9 | 2,331 | 39·4 | 2,231 | 37·7 |
| 1950 | 1,377 | 30·4 | 1,604 | 35·4 | 1,554 | 34·2 |
| 1949 | 1,207 | 31·8 | 1,279 | 33·8 | 1,305 | 34·4 |
| | | | *Exports* | | | |
| 1953 | 257 | 5·0 | 234 | 4·5 | 4,674 | 90·5 |
| 1952 | 232 | 4·9 | 208 | 4·4 | 4,308 | 90·7 |
| 1951 | 189 | 4·0 | 194 | 4·2 | 4,308 | 91·8 |
| 1950 | 144 | 3·7 | 162 | 4·1 | 3,605 | 92·2 |
| 1949 | 152 | 4·4 | 109 | 3·1 | 3,197 | 92·5 |

Foodstuffs, feedstuffs and beverages constitute about one-quarter of total imports, raw materials about one-third, and finished products 38 per cent. The 1953 igures show a decrease in value of nearly 15 per cent n imports of raw materials compared with 1952 and an increase of over 11 per cent in imports of finished goods. Machinery and automobiles mainly accounted for the abnormal increase in the latter.

The table on page 6 lists the principal commodiies imported into and exported from Swtizerland n 1953 and provides an interesting comparison between the value of imports of certain raw materials or semi-manufactures on the one hand and, on the other, of exports of fully manufactured goods.

## Distribution by Countries

About two-thirds of Switzerland's imports come from European countries, with Germany as the main source. n fact, imports from Germany were about twice the value of those from France, which holds second place. Imports from the Iron Curtain countries of Europe are small and totalled only $28·8 million, or 2·5 per cent of Switzerland's total imports from all countries, during 1953. Swiss exports to European countries in 1953 comprised about 58 per cent of total exports, with Germany the principal customer, followed by Italy. Exports to the Iron Curtain countries of Europe totalled $27·1 million, or 2·3 per cent of overall exports. As a result, the balance of trade with the United States was in Switzerland's favour for the first time since the end of the war.

Although Switzerland's exports to Canada have increased during the last few years, the balance of trade remains highly favourable to Canada—some $24·7 million in 1953, compared with $32 million in 1952.

### Trade by Countries

| | *Imports* | | *Exports* | |
|---|---|---|---|---|
| | 1953 | 1952 | 1953 | 1952 |
| | *(in million dollars)* | | | |
| *Europe* | | | | |
| Germany | 239·0 | 220·6 | 140·1 | 114·1 |
| France | 118·5 | 117·8 | 84·4 | 75·9 |
| Italy | 106·0 | 87·2 | 115·0 | 100·7 |
| United Kingdom | 78·2 | 77·0 | 55·9 | 52·7 |
| Netherlands | 54·7 | 56·3 | 40·2 | 36·1 |
| Belgium-Luxembourg | 53·1 | 67·2 | 57·4 | 61·4 |
| Sweden | 25·3 | 28·5 | 39·1 | 36·8 |
| Other countries | 109·9 | 125·4 | 154·8 | 160·1 |
| Total | 784·7 | 780·0 | 687·0 | 637·8 |
| *America* | | | | |
| United States | 142·4 | 192·3 | 196·0 | 161·7 |
| Canada | 46·5 | 50·6 | 21·8 | 18·6 |
| Argentina | 12·2 | 13·1 | 7·6 | 16·8 |
| Brazil | 13·1 | 7·4 | 22·1 | 33·3 |
| Other countries | 64·5 | 65·1 | 65·8 | 59·6 |
| Total | 278·7 | 328·5 | 313·3 | 290·0 |
| Asia | 53·2 | 49·8 | 105·3 | 102·0 |
| Africa | 42·2 | 32·2 | 61·4 | 50·8 |
| Australia, Oceania | 7·5 | 6·8 | 20·9 | 11·6 |
| Grand total | 1,166·3 | 1,197·3 | 1,187·9 | 1,092·2 |

# PRINCIPAL ITEMS in SWITZERLAND'S TRADE, 1953

## Imports

| PRODUCTS | $ |
|---|---|
| *Raw materials for the metallurgical industry* | |
| Iron and steel, unworked | 4,272,700 |
| Structural iron and steel | 20,045,420 |
| Copper, raw | 9,923,580 |
| Lead, raw | 3,031,630 |
| Zinc, raw | 2,283,900 |
| Aluminum, raw | 1,967,880 |
| Aluminum, calcined | 3,837,320 |
| *Raw materials for other industries* | |
| Hides and skins, raw | 5,061,650 |
| Leather, sole and upper | 5,403,390 |
| Rubber, crude, and waste | 4,800,550 |
| Wood for building, etc. | 10,843,810 |
| Pulp for making paper | 3,580,410 |
| Oleaginous fruits | 14,568,200 |
| Tobacco, raw | 17,041,620 |
| Chemical products, raw | 7,881,180 |
| *Semi-manufactures and finished products* | |
| Cotton fabrics | 5,232,960 |
| Fabrics, wool, etc. | 9,838,250 |
| Rubber products | 13,846,410 |
| Machinery | 86,568,939 |
| Iron and steel sheets | 27,931,200 |
| Automobiles | 63,539,110 |
| Instruments, apparatus | 30,064,293 |

| PRODUCTS | $ |
|---|---|
| *Foodstuffs, beverages and feedstuffs* | |
| Wheat | 32,419,650 |
| Feed barley | 14,628,230 |
| Oats | 7,384,380 |
| Corn | 6,905,750 |
| Oilseeds and fruits | 14,557,794 |
| Edible oils | 4,589,650 |
| Meats, fresh or preserved | 5,675,994 |
| Poultry, fresh or frozen | 3,744,327 |
| Meat extracts | 6,529,485 |
| Fish, fresh or preserved | 6,277,729 |
| Eggs | 8,790,830 |
| Butter | 6,875,160 |
| *Fuels* | |
| Coal | 46,815,120 |
| Oil for heating and gas | 26,740,490 |
| Gasoline | 21,688,770 |
| Lubricating oils | 3,931,620 |
| *Raw materials for the textile industry* | |
| Cotton, raw | 32,309,710 |
| Cellulose for artificial silk | 4,162,310 |
| Silk, raw | 4,390,000 |
| Wool, raw | 18,143,550 |
| Wool, combed | 14,531,270 |

## Exports

| PRODUCTS | $ |
|---|---|
| *Metallurgical industry* | |
| Watches, clocks and parts | 254,532,430 |
| Machinery and parts | 239,211,230 |
| Instruments and apparatus | 76,920,860 |
| Copper, rolled or drawn | 5,548,041 |
| Copper, brass, manufactured | 2,575,770 |
| Precision tools | 4,098,820 |
| Aluminum bars, sheets, etc. | 8,335,297 |
| Aluminum manufactures | 10,208,063 |
| Ball and roller bearings | 2,096,910 |
| Automobile parts, truck chassis | 3,308,780 |
| *Textile industry* | |
| Cotton yarn and thread | 12,403,440 |
| Cotton fabrics | 37,330,840 |
| Embroideries | 22,702,610 |
| Natural silk | 2,688,000 |
| Silk and artificial silk yarns | 16,918,800 |
| Natural and artificial silk fabrics | 24,061,220 |
| Ribbons, silk | 2,458,340 |
| Stockings, knitted goods | 9,930,000 |
| Clothing | 10,734,100 |

| PRODUCTS | $ |
|---|---|
| *Miscellaneous* | |
| Straw braid for hats | 8,848,56 |
| Hides and skins, raw | 3,844,25 |
| Boots and shoes | 6,904,83 |
| Rubber products | 7,041,22 |
| Jewellery, real | 2,289,14 |
| Jewels, for watches, etc. | 5,498,61 |
| Arms | 8,679,03 |
| Tobacco, manufactured | 12,713,94 |
| *Foodstuffs* | |
| Cheese | 23,393,76 |
| Chocolate | 4,445,21 |
| Condensed milk | 1,360,11 |
| Livestock | 1,685,57 |
| *Chemical and pharmaceutical industries* | |
| Pharmaceutical products | 73,729,49 |
| Perfumery | 7,353,10 |
| Industrial chemicals | 22,907,08 |
| Aniline, indigo dyes | 53,016,42 |

---

NOTE: The figures for all dollar-value tables have been converted from Swiss francs at the rate of one franc equals 23 cents Canadia
Import values are c.i.f. Swiss frontier. Export values are f.o.b. Swiss frontier.

# Venezuela Continues Its Progress

*With oil sales abroad holding up well, Venezuela's trade figures are in the black and revenues permit spending on public works and on projects for diversifying industry.*

J. A. STILES, *Commercial Secretary, Caracas.*

THE VENEZUELAN ECONOMY is today continuing its steady development and is making significant progress in many fields. Oil production—which accounts directly or indirectly for approximately 65 per cent of national income—is at a record level. The foreign trade and exchange positions are very favourable and the growth of secondary industries continues apace. The completion of an extensive $265 million program of public works at the end of 1953 has engendered a new spirit of optimism about the future in Venezuelan government circles, and plans have now been completed for the construction of additional important projects. All signs indicate that the present prosperous conditions will continue, at least throughout 1954.

## Foreign Trade

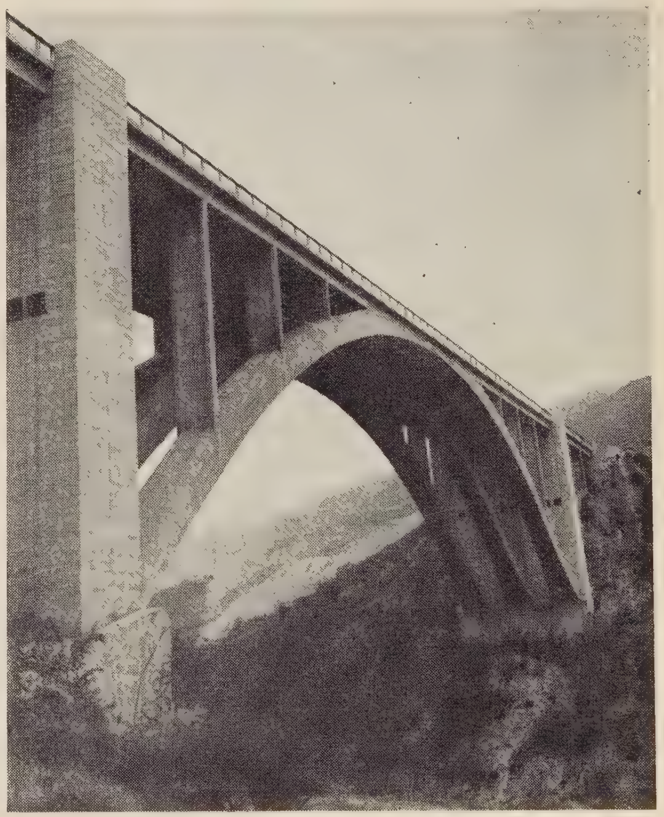
Venezuela's foreign trade in 1953 was valued at $2,196 million, the highest in the nation's history. Exports at $1,452 million were only $5 million less than a year ago; imports at $743 million exceeded the previous year's by $17 million. Following the pattern of the past ten years, Venezuela ended 1953 with an excess of exports over imports and a satisfactory gold and dollar reserve.

## Trade with Canada

Canada's share of Venezuela's trade again increased in 1953. Our exports to Venezuela were $800 thousand above the 1952 level and reached a total of $36·5 million. This compares with a total of $17 million for 1948 and $1 to $1·25 million in 1938, a typical prewar trade year. Canadian imports from Venezuela—99 per cent petroleum products—were valued at $155 million, an increase of nearly $20 million over 1952. Official year-end statistics show that Germany replaced Canada as Venezuela's third supplier in 1953 and that the final standing, by value, of supplying countries was: United States, 66·2 per cent; United Kingdom, 7·7 per cent; Germany, 4·7 per cent; Canada, 4·2 per cent; France, 2·5 per cent; Holland, 2·1 per cent, others, 12·6 per cent.

## Oil Production High

The all-important oil industry continues to be the mainstay of the Venezuelan economy. Crude oil production last year averaged 1,765,000 barrels a day, just slightly under the 1952 rate of 1,803,000 barrels a day. During the first three months of 1954, output averaged 1,875,000 barrels a day, reflecting the stronger demand for fuel oils in the United States and Canada during the winter months. The three major oil companies in Venezuela have announced plans to spend $252 million in 1954 for the expansion of their refining and production capacity and also for the establishment of a new petro-chemical industry.



*Last December saw the opening of Venezuela's breathtaking "Autopista" highway from Caracas to La Guaira, built at a cost of $71 million. Photo shows a 1,000 ft. bridge, one of three prestressed concrete bridges along the ten-mile route.*

Iron ore exports are becoming increasingly important to Venezuela. Ore shipments in 1953 to the United States by the Bethlehem Steel subsidiary amounted to two million tons, and in January 1954, the U.S. Steel Company affiliate in Venezuela made its first ore shipment to the company's plant in Pennsylvania. Total exports of iron ore from this country to the United States in 1954 are expected to reach six million tons, and by 1957 an annual rate of ten million tons.

### Construction Active

Last year was a banner one for the Federal Government in the construction field. More than 450 public works with a value of $265 million were completed, including new hotels, hospitals, highways, public buildings, and schools. Special inauguration ceremonies held during the week of November 24th-December 2nd featured the formal opening of the new $71 million super-highway linking Caracas with the seaport of La Guaira. Numerous additional projects are under way, many of them scheduled for completion in 1954.

### Industrial Output Increasing

Statistics released by the Central Bank of Venezuela show encouraging results during recent years from the official program to industrialize and diversify the economy. Using the index figure for 1948 as 100, the production level of selected industries at the end of 1952 was as follows: powdered milk, 149; refined sugar, 244; rayon textiles, 642; cigarettes, 228; cement, 392; matches, 495; paints, 486; motor vehicle assembly, 558; tires and tubes, 397; construction materials, 302, and leather products, 383.

The question of a national steel industry continues to receive much attention. Technicians are currently striving to obtain an economical method of reducing Venezuelan iron ore, and if this problem can be solved, steel will be produced in Venezuela within the next five years. Offers of technical and financial assistance have already been received from foreign firms.

Electric power capacity is developing rapidly. Output in 1945 amounted to 212 million kwh. and by 1953 had reached 841 million kwh. The Venezuelan Development Corporation, a government entity, has been sponsoring a rural electrification project which will increase power production still further during the next few years. Included in the program is the hydro development of the Caroni Falls in the State of Bolivar. Electrical energy from this source is slated to be ready by 1958 to tie in with industrial developments projected for the area.

Venezuelan retail merchants report increasingly keen competition during the past few months and, as a result, credit terms have been relaxed somewhat and profit margins reduced. However, the volume of sales does not appear to be declining, judging by the 1953 retail sales of 75 leading Caracas commercial houses which totalled $151 million, some $1·2 million above the 1952 level and higher than any postwar year with the exception of 1948.

### Outlook

The 1954-55 budget for the fiscal year beginning July 1, 1954, has just been proposed to the National Congress, with revenue and expenditures estimated at $714 million, an increase of 1 per cent over last year. The departmental allocations clearly indicate the Government's plan to diversify the economy in order to lessen its present dependence on the oil industry. The development of new secondary industries, the improvements planned in the field of transportation—particularly railway, port and shipping services—plus the country's normal import needs should provide interesting opportunities for Canadian suppliers able and prepared to contend with the keen competition.

---

## Peru Pushes Ahead

*Both foreign and domestic capital is being used to finance Peru's industrial and agricultural expansion which the Government is encouraging by variou means, including protective duties, government irrigation projects, and financial assistance.*

*Since the first of the year two factories have been established to produce small diameter welded stee pipe, a second rubber tire company has been formed and an explosives company incorporated. In addition, the Government Salt Monopoly has bough equipment worth $400 thousand to $500 thousand with a capacity of 24 tons of refined salt daily, which will be in operation by August. A new cement factory in northern Peru has increased its capital and probably will be assisted by an International Bank loan. Many plants have been modernized and have expanded their capacity.*

*In April, the International Bank for Reconstruction and Development announced a further loan of $1· million (1952, $1·3 million) for the purchase o heavy agricultural machinery and equipment which will be used to reclaim old and open new areas t cultivation, and to improve present production methods. Most of this machinery will be operate from machinery pools which are strategically locate throughout the country.*

*Nearly 50,000 hectares (1 hectare=2·47 acres) wer put under irrigation in the north of Peru by a singl government project completed in 1953. Other plan call for a second phase of this project and a furthe 150 thousand hectare project in the south.*

# commodity notes

## Argentina

POTATOES—Argentina has announced an additional export quota of 30,000 metric tons of potatoes, making a total of 36,000 tons authorized for export from the 1953-54 crop. This step has been taken because of the surplus which is not likely to be absorbed locally and it affords the producer a potential alternative market for his stock—Buenos Aires, May 4.

TIMBER—In addition to the timber bought recently from Yugoslavia and Czechoslovakia, IAPI has made further purchases of spruce timber from Romania, valued at 13·5 million pesos and from Poland, valued at 5·3 million pesos. The value of these timber purchases to date totals about 65 million pesos—Buenos Aires, May 4.

## Belgium

CEMENT—Despite increased competition, Belgian manufacturers sold 1·9 million tons of cement in world markets in 1953—475 thousand tons more than the record 1952 export sales of 1,425,000 tons. Because of its relatively large productive capacity, foreign sales are particularly important to this industry. Although many former markets are now closed or curtailed as a result of the development of the industry in countries formerly customers, Belgian firms have succeeded in finding new markets. They have been helped by world consumption which increased from 103 million tons in 1948 to about 160 million tons in 1952. The Netherlands was the best customer in 1953 with 721 thousand tons, followed by Great Britain, 213 thousand tons; the Belgian Congo, 188 thousand tons, and New Zealand, 76,000 tons. Canada ranked after New Zealand with 66,640 tons—Brussels, May 14.

## Brazil

COCOA—According to the Bahia Cocoa Commission, 1,761,052 bags of cocoa from the 1953-54 Bahia crop entered the market between last May and December 31st. Assuming that another 200 thousand bags were put on the market in January and February, the 1953-54 crop will reach a total of more than 1·9 million bags, the largest crop in recent years. The volume of the mid-year 1954-55 crop is still uncertain. Inadequate November rains were compensated by higher rainfall in December. However, the mid-year crop will depend upon weather conditions in January and February. Cocoa exports last December through the ports of Salvador and Ilheus amounted to 185 thousand bags of 60 kilos, valued at over 166 million cruzeiros, an all-time monthly record—Rio de Janeiro, May 6.

## Chile

HEAVY TRACTORS—The "Corporacion de Fomento de Produccion," the government body for stimulating all economic activity in Chile, has been granted permission by the Chilean Foreign Exchange Board to purchase on credit terms up to US$1·2 million worth of heavy tractors. These tractors will form part of the equipment of the travelling teams offering mechanical aid and guidance to farmers—Santiago, May 8.

COPPER—The Chilean Minister of Mines declared to the press recently that, apart from the 100 thousand tons of accumulated copper stocks sold a short time ago to the United States, Chile had sold, in the past four months, 92,500 tons of copper. Of this amount, 57,000 tons were shipped to the United States market, 20,500 tons to Great Britain (paid for in sterling), and 10,150 tons to other European countries, with settlement in dollars. Some 432 tons of semi-elaborated copper were shipped to the Argentine and 4,430 tons absorbed by the local industry. Unofficial sources are of the opinion that, notwithstanding, Chile's current unsold copper stocks stand at about 100 thousand tons.

The Minister of Mines confirmed that no concrete offers for copper had been received from Russia—Santiago, May 3.

## Denmark

CHEESE—Total cheese production in Denmark during 1953 was 86·8 million kilograms, 1·9 million more than in 1952. Exports in 1953 amounted to 59 million kilograms; 23 million kilograms were consumed at home. Largest foreign purchasers were the United Kingdom, 12·4 million kilos; Italy, 11·7 million; the United States, two million and Sweden 1·2 million. Exports to all other countries totalled 5·6 million kilos. These exports were 10 per cent higher than those in 1952. Home consumption dropped by about one million kilograms. Production in March was about 20 per cent below March 1953—Oslo, May 7.

### Finland

TIMBER—Finnish exports of timber are still far below the prewar level of about one million standards. The 1953 figure is expected to total about 650 thousand standards, including the 60,000 standards delivered to Soviet Russia under the trade agreement with that country—Stockholm, May 3.

### France

MOTOR VEHICLES—French production of motor vehicles in 1953 dropped as compared with 1952. In 1953, production totalled 497 thousand units, about 2,000 less than in 1952, a record year. Last year's total was made up of 371 thousand cars and 126 thousand commercial vehicles. The decrease is mainly the result of smaller production of commercial vehicles.

Export of French vehicles also decreased; 82,000 cars and 53,000 commercial vehicles were exported in 1953, a total of 135 thousand compared with 137 thousand in 1952.

No substantial change is expected in the near future in France's production and export of motor vehicles, except in the production of all types of motor and autocycles, which reached a new record of 782 thousand last year and is still rising—Paris, May 12.

### Guatemala

BATTERIES—Since the tariff was raised last year to 45 cents (U.S.) per kilogram gross weight, few batteries have been imported into Guatemala. The replacement batteries required by the country's 18,000 vehicles now come from small shops turning out an average of ten units a day. A new firm is investing $30,000 in a plant to produce 50 batteries a day, using American patents for special features designed to guarantee a battery life of six years or more. This Guatemalan enterprise hopes to open small battery plants in El Salvador and other Central American countries within the next two years—Guatemala, May 4.

### Israel

CITRUS FRUIT—Israel citrus growers are enjoying a good season this year with higher foreign currency earnings. Demand for Israel citrus fruit increased following a severe frost in Spain estimated to have spoiled over 50 per cent of that country's citrus crop. Higher sales to Sweden, Norway, Denmark, the Netherlands and the United Kingdom are anticipated. To meet this unexpected demand, the Israel Citrus Market Board is said to have decided to export larger-sized fruit this year (120 instead of the normal 150 to a crate), and also to allow the export of lower quality fruit. Exports this year are expected to exceed by 20 per cent the record 5·3 million cases sold during 1952-53, with a possibility of earning up to $20 million in foreign exchange—Athens, May 3.

### Morocco

SARDINES—Exports of sardines from Morocco were higher during 1953 than for any year since 1950. Last year, 2,002,000 cases were exported, compared with 1,678,000 in 1952, 1,769,000 in 1951 and 2,466,000 cases in 1950. Of the two million cases which left Morocco, 120 thousand went to foreign countries (other than the French Union)—Paris, May 11.

### Norway

NITROGEN FERTILIZER—Norsk Hydroelektrisk Kvaelstofaktieselskab's exports of nitrogen fertilizer had a total value of Kr.300 million during 1953—Kr.38 million more than in 1952 and a record for the company. Trading profit for the year amounted to Kr.114·7 million, about one million kroner less than in the previous year. However, despite this record export, the demand has risen so sharply that the company is unable to satisfy all orders received from its old customers and intends to increase its annual production of nitrate of lime by 220 thousand tons. The company's experiments with the production of potassium from seawater are said to be progressing very satisfactorily—Oslo, April 27.

HERRING—Herring fishing off the West Coast of Norway changed officially from winter herring fishing on February 17th. By that date a record catch had been taken of 9·7 million hectolitres (902,100 metric tons). As a result, Norwegian herring oil production in 1954 is also expected to set a new record, exceeding the 82,000 tons produced in 1951—Oslo, May 6.

### St. Lucia

ARROWROOT—This year's crop is expected to be good and reaping is well under way. Acreage has increased at the expense of cotton—Port-of-Spain, May 5.

### South Africa

DIAMONDS—World diamond sales through the Central Selling Organization during 1953 amounted to £61·1 million, comprising gem stones, £43·3 million and industrial diamonds, £17·8 million. Although sales are 12 per cent below the 1952 record level of £69·7 million (gems, £45·8 and industrials, £23·9), disposals during the fourth quarter of 1953 were well above estimates—Johannesburg, May 8.

# New England as a Market for Lumber

*With the rate of construction in the New England states holding up well, lumber sales should remain strong, particularly for some softwoods, but competition among suppliers is increasing.*

D. H. CHENEY, *Vice-Consul and Trade Commissioner, Boston.*

PRESENT ESTIMATES are that 1954 will be one of the New England construction industry's busiest years, although not all branches are expected to share the profits. Regional construction awards for 1953 amounted to approximately $1·1 billion and all contracts are for work which will be put in place this year. Some of the larger projects will extend over a year or more.

Replacement building and expansion were given new incentive by the proposed allowances for faster depreciation and a levelling-off in costs. Highway construction should have a banner year, with Massachusetts, Maine and New Hampshire continuing major building projects. Potential value of contracts is put at about $165 million. The two New England telephone companies plan to spend some $112 million on expansion and improvements this year. School building is expected to produce plenty of activity as many communities attempt to provide for the rapidly expanding school-age population. The market for low and moderate-cost housing remains substantial.

### Construction Market Varies

The power companies will continue their large expansion projects which are in varying stages of completion. Some $17 million in defence funds is being spent on three large research centres in New England and expenditures on the two enormous Air Force bases at Limestone, Maine, and Portsmouth, New Hampshire, will run into many millions of dollars.

For the nation as a whole, the U.S. Department of Labour estimates expenditure for new building this year will amount to about $34 billion, some two per cent below last year. Although some declines are anticipated in private housing, industrial plant, farm construction and defence facilities, the strong pressure for utilities, stores, schools, churches, recreational facilities and roads should balance the scale in favour of the builders.

### Outlook for Softwood Sales

The early months are customarily quiet for lumber sales in New England because severe winter weather slows up most outdoor building. However, remarkably mild weather over most of southern New England during February and extending into March provided an unexpected stimulus to a normally dull market. The early spring got the demand for all types of lumber off to a good start although frequent heavy rains, causing muddy conditions in some districts along the seaboard, have retarded operations considerably. Nevertheless dealers generally feel that February dealt more kindly with them than usual.

The outlook for most softwoods is good. West Coast lumbers are in a strong position, with hemlock coming up particularly well. The trade is not anticipating any particular business recession. The number of housing starts is expected to be about the same as last year and though most mills are fairly quiet at the moment, the remainder of the year is potentially busy.

The prospects for eastern spruce look weak. Eastern shippers are up against severe price competition from western white spruce which continues to make inroads into the New England market. A factor which eastern shippers should ponder is the willingness of their western counterparts to ship in even lengths. New England buyers complain that only a mere handful of eastern Canadian suppliers will offer even lengths and unless they meet the preferences of the market soon, they can expect an increasingly heavy loss of business to their western competitors.

Most dealers are not buying heavily now because they have plenty of good lumber coming along from earlier orders. Stocks have been kept fairly stable and no changes are anticipated. Prices are expected to remain steady in coming months. The market is competitive and increasing emphasis will be placed on selling. Such conditions, of course, reflect those in most other U.S. industries today.

### Fir and Hemlock

According to recent market bulletins, cargo Douglas fir and hemlock dimension are moving up in price as the market took on more strength during the first week of March. It is said here that British Columbia shippers are now limited to what they can offer (except on No. 3 dimension and boards) in view of the sharp upswing in their overseas business with Australia, South Africa and the United Kingdom. Added strength has been given to prices by talk of a West Coast strike. The rail market is reported to be firm, with minimum quotations on 2 x 4 No. 1 fir at $95 and higher for good length random. No. 1 fir dimension mill shipment on dock is ranging from $94 up. Hemlock ranges from $87 to $90 with expectation of $90 quotes and up for May-June loading.

Selected quotations to the retail trade on fir and hemlock as at March 6th and May 1st on dock East Coast were as follows:

| | *March* 6 | *May* 1 |
|---|---|---|
| Fir boards No. 3 and better, spot or transit | $79.50 to $83.50 | $77.50 to $80.50 |
| Fir dimension No. 1 and 2 | $93.50 to $95.50<br>March-April loading | $95.00 to $97.00<br>May-June loading |
| Fir dimension No. 1 and 2, spot or transit | $91.50 to $96.50 | $92.50 to $95.50 |
| Hemlock dimension No. 1 and 2 | $87.00 to $90.50<br>March-April loading | $89.50 to $91.50<br>May-June loading |
| Hemlock dimension No. 1 and 2, spot or transit | $85.50 to $90.50 | $87.00 to $90.00 |

Eastern white pine in No. 3 common and better is steady, with some improvement noted; quotes for eastern spruce are low except for good shipments of even lengths, which are rare. In March cars of 4/4 x 6, 7 and 8 heavy in 16-foot lengths were ranging from $89 to $110, and are now $95.00 to $104.00. There is little change in the position for western white spruce although demand in New England is reported to be below that in other areas.

## Prospects for Hardwoods

According to Boston dealers, business in March was off about 15 per cent compared with last year but they were not unduly concerned. The market is much more competitive than it has been for some years and greater emphasis will have to be put on salesmanship. With expectations that housing starts will total about a million again this year, suppliers are reasonably optimistic. Furniture manufacturers have done well at recent trade shows, some of them receiving orders sufficient to keep them going for six months ahead. Jewellery and other luxury sales, another criterion of the hardwoods market, have been good.

Dealers report that the unusually mild winter weather has definitely helped the demand for hardwoods. Interior work on most residential housing has continued throughout the winter. Stocks have been kept fairly fluid, although cutting operations are now in full swing and heavy supplies from current production are expected within the next few months. The market is expected to remain competitive and no significant price changes are anticipated.

March market bulletins showed No. 1 common and better grades of birch holding steady, with quotes up $5 to $10 from 1953 lows. Prices for maple had subsided $2 to $5 from former high levels. Current quotes on No. 1 New England and Canadian common yellow in 4/4 are $125. Native is cheaper but Canadian is longer. On selects and better in 4/4 the current range is $240 to $280. Oak flooring is in a strong position with a high rate of sales; maple continues steady. Selected quotations on birch and maple in March and in May are given below; prices noted are for northeast U.S. and Canadian including wholesale commission, rough, air-dried f.o.b. mill.

| | *March* | *May* |
|---|---|---|
| Birch 4-4 FAS | $245.00 to 275.00 | $240.00 to 270.00 |
| Birch 4-4 Selects | 220.00 to 255.00 | 215.00 to 250.00 |
| Birch 5-4 No. 1 | 140.00 to 155.00 | 140.00 to 155.00 |
| Birch 4/4 (Select and better) FAS | 270.00 to 295.00 | 240.00 to 280.00 |
| Birch 4/4 (Select and better) Selects | 255.00 to 275.00 | 220.00 to 260.00 |
| Maple 4-4 FAS | 170.00 to 190.00 | 170.00 to 190.00 |
| Maple 4-4 Selects | 150.00 to 170.00 | 150.00 to 170.00 |
| Maple 4-4 No. 1 | 90.00 to 125.00 | 100.00 to 125.00 |
| Maple 9-4 planks FAS | 180.00 to 190.00 | 180.00 to 190.00 |
| Selects | 160.00 to 170.00 | 160.00 to 170.00 |
| No. 1 | 150.00 to 163.00 | 150.00 to 163.00 |

## Competition Increases

A note of caution was struck recently at the annual convention of the Associated Contractors of America, where many delegates confessed that the capacity of their industry is now considerably above jobs available. A tremendous increase in competition among contractors for each project is evident, and unsound bidding by many of the smaller firms desperate for orders to keep them in business is causing anxiety. Resultant cuts in bid prices on public and private construction have led a number of responsible authorities to announce the return of a buyers' market for the first time since the war.

On the other hand, for the 37 eastern states, construction contract awards in February hit $1·2 billion. This was the highest February figure on record and 20 per cent above the same month last year. The January-February total, at $2·2 billion, was 13 per cent above the same period in 1953 and nine per cent above the record January-February period of 1951. February awards were also six per cent greater than for January, contrary to usual tendencies.

Reports just coming in reveal that this rise continues; construction contract awards in March were far and away the highest ever reported. In addition, the first quarter of 1954 set a new record. The Federal Reserve Bank of Boston reports that the $266·6 million value of all construction contracts awarded in the New England states during the first quarter of 1954 represented an 8 per cent rise over the corresponding period of 1953. Award values in the field of public and private utilities in New England were more than three times those of a year ago. Public works awards were 159 per cent higher. However, awards for residential building were down 20 per cent. In spite of a drop of 30 per cent below the level of the first quarter of 1953 in the value of awards for manufacturing buildings, the value of contracts for all types of non-residential buildings was slightly higher than it was last year.

Though the present outlook for lumber sales in New England is generally satisfactory and possibilities for 1954 are considered second only to last year, increased competition will become more and more important. However, if the heartening trend of the early months is projected into the later period of peak activity, 1954 holds good promise.

# Southern Forests and Their Products

*Extensive areas of second or third-growth forests in the South furnish the raw material for important Southern industries, whose products figure in Canada-U.S. trade.*

G. A. NEWMAN, *Consul and Trade Commissioner, New Orleans.*

THOSE WHO STILL THINK of the Southern States in terms of cotton and plantations may learn with some surprise that almost 60 per cent of the land area in the South is wooded and less than 30 per cent is under cultivation. Southern commercial forests, in fact, comprise 40·3 per cent of the U.S. commercial forest area and hold about 28 per cent of its standing timber or 20·9 per cent of its saw timber.

These Southern forests, however, have been cut intensively and for long periods and peak production was reached as far back as 1909. Most of the virgin forest has therefore been cleared and close to 99 per cent of Southern saw timber acreage is now in second or third-growth trees. Many of the large mills disappeared with the virgin woods and thousands of small "Peckerwood" mills now maintain the production. The combination of second-growth woods and small sawmills make it difficult to keep to standard grade or continuous quality.

## Uses of Southern Woods

Apart from sawmilling, the Southern forests sustain a wide variety of other industries, with the production of pulp and paper and of furniture in the lead. In 1952, the three biggest users of wood were:

| Industry | No. of Plants | No. of Workers | Output in $ million |
|---|---|---|---|
| Lumber mills | 27,200 | 375,000 | 2,483 |
| Paper and allied products | 900 | 127,000 | 2,355 |
| Furniture | 2,500 | 124,000 | 1,061 |

Other industries in the South absorbing smaller quantities of wood include (in order of importance) millwork and plywood, wooden containers, naval stores, wood preserving, cooperage stock mills, and veneer mills.

## Lumber Production

Since 1945, the Southern States have produced an average of 13·2 billion board feet of lumber a year. Most of this is southern pine, production of which has ranged from 8·7 to 9·9 billion board feet; the remainder, 3 to 4·9 billion board feet, is hardwoods.

The Southern mills employ negro labour at lower wages than prevail on the west coast, but 32·2 man-hours are required to produce and distribute 1,000 board feet of Southern pine yard lumber compared with 25·3 man-hours for western pine. This differential, plus reasonable freight rates and an increasing need for well-graded woods for industrializing the South, has led to keen competition between Western and Southern woods in Southern markets.

In spite of this competition, the Southern mills have prospered in recent years. It is estimated that the value of increased output of lumber between 1939 and 1952 totalled $1,752 million. This was exceeded only by textiles, 6,360 million, food manufactures, $5,674 million and chemicals, $2,973 million.

## Paper and Allied Products

The most spectacular development in Southern forestry in recent years has been in paper and its products. By any yardstick, the making of paper and paper products has become a major industry in the South. This subject will be dealt with more fully in a separate article and it is sufficient to note here that in 1952 the South consumed 14·8 million cords of pulpwood—or 55·9 per cent of U.S. consumption—and produced 9·05 million short tons of wood pulp (54·9 per cent of U.S. production). Sales of the Southern pulp and paper industry in 1951 totalled over $2 billion, compared with $2·9 billion for the Southern cotton crop.

### Furniture-Making

Furniture ranks after lumber and paper as a major user of Southern wood. This industry is centered mainly in North Carolina and Virginia, with important plants in Tennessee, Texas, Georgia, Florida and Arkansas, and produces about 40 per cent of all the furniture manufactured in the United States. Some 95 per cent of the wood used for this purpose is in hardwoods in the form of lumber, plywood and veneer. Roughly 60 per cent of the hardwood consists of yellow poplar and gums.

### Other End-Uses

Other products of Southern forests such as naval stores (turpentine and resin), cooperage stock, plywood and veneers, vary in importance from state to state but contribute much both in employment and general value of forest output. Millwood and plywood are concentrated in North Carolina and Texas; wood containers in Florida, North Carolina and Georgia; naval stores in Georgia and Mississippi; wood preserving in Texas; cooperage stock in Tennessee; veneer mills in North Carolina.

### Important in Canadian Trade

These Southern forests and their products have considerable significance in Canada-United States trade. They supply a large part of Canada's imports from the United States of wood and wood products which, in 1952, totalled more than $12·3 million and included such identifiable products as railway ties, $2·1 million; oakwood, $3·6 million; hardwood flooring, $1·6 million; hardwood lumber, $1·3 million; furniture, $2·8 million; resin, $1·6 million, plus a wide variety of paper and paper products and cooperage products.

The vital question is whether or not the Southern forests can continue to meet this heavy continuing drain on their timber. The best available answer appears in a 1945 forestry survey, which estimated the current annual growth of all timber (i.e., trees five inches D.B.H. and larger) at 6,150 million cubic feet —i.e., growth and drain almost in balance. It was reported, however, that the depletion of saw timber stands exceeded growth by 16 to 20 per cent and these facts give some cause for concern. ●

## U.S. Lumber Picture

IN 1953, for the fourth consecutive year, the production of lumber in the United States exceeded 38 billion board feet. The actual output —39,222 million board feet—was the highest in the 25 years that comparable records have been maintained, according to the Lumber Survey Committee's recent report to the Secretary of Commerce. The fourth quarter of 1953 saw a seasonable decline in lumber production, but supply continued to exceed demand.

Lumber shipments were down by 2 per cent compared with production, and new orders lagged 3 per cent behind production. As a result, unfilled order files at the mills were slowly reduced through 1953, and gross mill stocks of lumber gradually increased in the last half to an estimated 8,967 million board feet on December 31 —the approximate level before World War II.

Total 1953 consumption, allowing for exports and imports and changes in inventories, is estimated at 40,758 million board feet, one per cent above 1952.

### Imports and Exports

Imports of lumber in 1953 totalled 2,770 million board feet, 11 per cent above 1952. Exports reached 643 million board feet, or 12 per cent below 1952. Detailed figures showing sources of supply for imports and countries of destination for exports will be available later.

Unfilled orders at the end of 1953 equalled 19 per cent of gross mill stocks, compared with 23 per cent at the end of the third quarter and 28 per cent on December 31, 1952.

In the fourth quarter of 1953, lumber production fell 2 per cent below the final quarter of 1952; shipments and new orders were 7 per cent and 9 per cent, respectively, below output.

Wholesale prices, according to the Bureau of Labor Statistics, reflected a gradual decline on the average through the last three quarters of 1953, and this trend, except for a levelling-off in December, continued into January 1954.

Production of lumber during the first two months of 1954 fell below the unusually high output of the early weeks of 1953. For softwoods, both shipments and new orders have this year topped production; in hardwoods, orders and shipments have fallen below output.

—A. E. BRYAN
*Consul and Trade Commissioner, Detroit.*

# CUBA *Buys Lumber and Plywood*

*Difficulty in getting the type of lumber needed makes Cuba a market which Canadian producers might well investigate; Cuban plywood imports are rising.*

J. E. O'NEILL, *Office of the Commercial Secretary, Havana.*

WHEN CUBA became an independent republic at the beginning of this century, the country was heavily forested with such valuable timber as mahogany, lignum vitae and cedar. Up to fifteen years ago, these woods were still being exported. Now, however, with the continued cutting of the forests and the lack of organized reforestation, the country is becoming more dependent from year to year on outside sources for its lumber. Because of these dwindling supplies, the Government now requires permits for all forestry operations and prohibits the export of most hardwoods and cedar.

## Buying Trend Changes

Imports of lumber and logs during 1953 totalled approximately 55 million board feet, of which more than 90 per cent was pine from the southern United States, Honduras and Nicaragua. Up to a few years ago, the United States was by far the largest supplier, but today imports are about equally divided between that country and Honduras, with a small percentage coming from Nicaragua.

The principal reasons for the increase in imports from the Central American countries are their lower selling prices and the inability of the United States mills to supply the larger specifications, particularly the wide boards which the Cuban market demands. Supplies from the United States are composed entirely of rough lumber; imports from Central America consist largely of logs which are sawn in Cuba. This method is not entirely satisfactory because the exports are not properly supervised by the selling countries and, in the absence of authentic certificates of measurement, disputes and claims frequently arise between the shipper and buyer and the settlement reached is seldom satisfactory to both parties.

## Opportunities for Canadian Lumber

Central American pine is much more resinous and does not have the durability of the United States species, but it will continue to replace the latter unless the Cuban buyer finds it advantageous to buy elsewhere. Because of the difficulty Cuban purchasers are encountering in getting the type of lumber they want, the time seems opportune for Canadian lumber exporters to make a stronger bid for this market. If they are in a position to supply lumber of the quality and specifications required here, there is reason to believe that Cuban importers are prepared to pay a premium over the present cost of United States and Central American pine.

Because dressed lumber is dutiable and rough lumber is exempt from all import levies, the latter only is of interest to Cuban importers.

## Plywood Imports Higher

Cuba's imports of plywood have increased sharply during the past few years and, judging from the varied sources shipping into this market, no particular type is preferred. Following are the plywood import statistics for the first ten months of 1953, the latest available:

| *Country of Origin* | *Quantity in sq. ft.* |
|---|---|
| Dutch Guiana | 2,880,000 |
| Japan | 2,645,000 |
| British Guiana | 1,660,000 |
| United States | 550,000 |
| France | 523,000 |
| Spain | 392,000 |
| CANADA | 304,000 |
| Costa Rica | 256,000 |
| Guatemala | 222,000 |
| British Honduras | 200,000 |
| Africa | 135,000 |
| Germany | 120,000 |
| Netherlands | 93,000 |
| Mexico | 50,000 |
| Finland | 34,000 |

There is every indication that the consumption of plywood will continue to increase as new ways are found to use it as a substitute for ordinary lumber. At present it is employed principally for interior installations, but contractors are now experimenting with the thicker board in cement construction work. Although this board is more expensive than lumber, it has the advantage of greater strength and durability and this means that the same board can be used several times. With lumber, only a small proportion can be used again.

Although Cuba's imports of Canadian plywood have been comparatively small, it seems probable that sales can be boosted substantially if prices are in line with the competition. ●

# MONTREAL: *Canada's Leading Port*

*A trading and shipping centre since 1642, the port of Montreal, one thousand miles from the sea, now heads the list of Canadian ports in volume of traffic handled.*

H. A. HADSKIS, *Transportation and Trade Services Division.*

CARTIER, CHAMPLAIN AND THEIR COMPATRIOTS, exploring the St. Lawrence River that led into a new continent, recognized the strategic location of the Indian village, Hochelaga, on an island in the river. Cartier climbed the mountain on the island and named it Mount Royal. Champlain laid out the site for a town and called it Place Royale. Although it was not yet a permanent settlement, Place Royale became every summer a gathering place for traders. In 1642, Maisonneuve established the mission village of St. Marie de Montreal on this island, and during the century that followed a rich trade, principally in furs, moved through Montreal to Europe.

That was the beginning. Today Montreal is a major port for large ocean vessels—farther inland than any other such port. Situated at the head of deep water navigation on the St. Lawrence, 1,000 miles inland from the Atlantic, the port is a point of interchange between lake, river, ocean, railway and highway traffic.

## Early Development

Formidable natural handicaps had to be overcome in the early years of Montreal's development. Shallow waters in the river above Lake St. Peter and powerful river currents made it difficult, if not impossible, for the sailing ships of the early 1800's to make their way up the river as far as Montreal. Most goods destined for Montreal and beyond were trans-shipped at Quebec. In 1818, one writer described the port this way: "Above (Place Royale of today), there was a low narrow wooden wharf which ran up to Port Street a few hundred feet, Common Street being supported by a wooden revetment with gaps for sloping roadway to the river; except for this, the beach and river bank were in their natural state".

With the advent of steam navigation in 1809, enterprising Montreal businessmen saw that the port could be made accessible to ocean-going ships. They founded an association known as the Committee of Trade (later the Board of Trade) to promote development of the harbour. Much credit is due to this group and its successors for the improvements that have been made through the years in navigation and harbour facilities.

Deepening of the river channel did not begin until 1850 when the Harbour Commissioners of Montreal undertook the job. Some 40 years later this responsibility was taken over by the Federal Department of Transport. Dredging through the years has produced a ship channel 35 feet deep and with a minimum width of 550 feet. The opening of the port to ocean vessels began an era of extensive development within the harbour. Today large ocean ships like the 26,000-ton *Empress of Scotland* can berth safely in Montreal's harbour. Montreal's geographic advantage on world trade routes is not always realized because it lies 1,000 miles inland. It is, however, closer than New York to Liverpool, Antwerp, Bordeaux, Bombay, Calcutta, Colombo and Singapore, and only a little farther than New York from South America, South Africa and the Mediterranean. On an average day, some 40 to 50 ships are berthed in the harbour, the majority of them ocean vessels. Some are unloading coal, machinery, automobiles, textiles and other manufactured articles from the United Kingdom; tea, rubber and jute from India and the Far East; oil from South America and Arabia; granite, wines, marble and cork from Italy, Spain and Portugal; vegetable oils, mahogany logs and cotton from South Africa. Others have brought manganese and chrome ores from West Africa; raw sugar and molasses from the West Indies; iron ore, steel and manufactures from Scandinavia; wool, canned fruits, raisins and wines from Australia and New Zealand; a variety of manufactures and products from European countries and South America. For the return voyage these ships load the products of Canadian industry—

### Port of Montreal

| | | |
|---|---|---|
| Minimum depth of approach channel | 35 | feet |
| Harbour railway | 62 | miles |
| Piers, wharves, jetties, etc. | 112 | |
| Length of berthing | 53,060 | feet |
| Transit shed floor space | 2,225,000 | square feet |
| Cold storage warehouse capacity | 2,909,200 | cubic feet |
| Grain elevators | | |
| Capacity | 15,162,000 | bushels |
| Installed loading capacity | 445,000 | " per hour |
| Floating crane capacity | 75 | tons |
| Coal dock storage capacity | 1,380,000 | " |
| Oil tank storage capacity | 68,000,000 | gallons |

grain, flour and foodstuffs of all descriptions, machinery, railway locomotives and many others—brought to this seaboard port on the St. Lawrence by rail, road or water from all parts of the country.

### Cargo Facilities

Montreal has extensive facilities for handling this great variety of traffic. All the wharves, piers and permanent transit sheds within the harbour are government-owned and administered by the National Harbours Board. Approximately ten miles of wharves, piers and jetties provide berths for 112 vessels and most of these are for ocean vessels. Transit sheds on 27 of the berths provide a total of about 2·2 million square feet of usable floor space. Nineteen of these transit sheds are the two-storey type which permits goods to be discharged from the ship onto the upper floor while, at the same time, outgoing shipments are being accumulated for loading on the first floor.

There are special berths for handling coal, cement and other bulk commodities, and open berths for general purposes. Oil, gasoline and other petroleum products are moved in bulk over specially designed and equipped wharves.

### Grain Handling

Millions of bushels of grain from the Prairie Provinces flow through the port each year; during 1952 and 1953 receipts and deliveries averaged about 165 million bushels. The port's four grain elevators have a total storage capacity of over 15 million bushels. There are six unloading berths with ten marine legs, and six mechanical shakers and three dumpers for unloading railway cars. The grain is delivered to ships at 27 different berths. Transit sheds are located on 22 of these berths and a liner can load grain and other cargo without changing berths—a service provided in few ports throughout the world.

For perishable goods, the port maintains a cold storage warehouse with a capacity of approximately three million cubic feet. Actually most of the goods stored in this warehouse are for the account of local merchants, but it is available for perishable imports and exports when needed.

Sixty-two miles of railway, operated by the National Harbours Board, connect the ocean berths along the ten miles of wharves with the CNR and CPR railway yards. As many as 233 thousand cars have been switched to and from berths in a year and as many as 1,550 in a day. The Board also has a fleet of three tugs and two floating derricks, and a number of flat and dump scows used for maintenance dredging and the handling of ships' ballast.

In addition to NHB installations, the port has a floating drydock of 25,000-ton capacity, graving docks, and excellent ship repair facilities operated by private companies. Tow-boat services are always available from one firm operating six tugs during the navigation season. Coal and oil bunkering is carried out direct to vessel at wharfside; oil can be delivered by barge or tanker at any berth in the harbour.

—*Spartan Air Services, Ltd.*

*This aerial view of Montreal Harbour is taken looking downstream. In left foreground is entrance to Lachine Canal, with Windmill Point Basin in centre foreground, and main piers and sawtooth wharves beyond.*

Stevedoring is efficiently performed by private companies with modern cargo-handling equipment. For heavy materials requiring special equipment not in everyday use by the stevedoring companies, NHB has for hire ten locomotive cranes, a 30-ton diesel caterpillar crane, and a heavy-lift floating crane.

### Navigation Season

Montreal is not a year-round port because the St. Lawrence River is closed to navigation for four months—the last ship usually departs in late November or early in December. As spring and the opening of navigation approach there is a feeling of excitement in the air. The race is on for the honour of being the first ship in. The port makes this a special occasion and presents the master of the ship with a gold-headed cane. This ceremony has been held every spring for over 125 years. The cane most frequently goes to the master of a ship on the run to the United Kingdom or the European continent because he has a better opportunity to position his vessel as the opening of navigation approaches, but competition is keen.

From Canada's earliest days, Montreal has been a trading and shipping centre and the port has grown with the country. Back in 1818, the one harbour facility was a low, narrow wooden wharf. In 1953, some 1,750 vessels, flying the flags of 33 nations, discharged over four million tons of cargo from overseas there and loaded about five and a half million tons of goods for markets abroad. Statistics like these confirm Montreal's rank as Canada's leading port. ●

# GUADELOUPE and Its Trade Pattern

*Shortage of foreign exchange has limited most of Guadeloupe's buying to France and the French Union and Canadian exports have suffered—despite the relative prosperity of the island in the past year.*

G. A. BOYD, *Honorary Commercial Agent, Pointe-à-Pitre.*

GUADELOUPE, one of the two islands of the French West Indies, achieved the status of a Department of France in 1948, a vital change politically for this former colony. With a population of about 300 thousand, approximately 2 per cent of whom are white, it is a small but important island of the Lesser Antilles group. Guadeloupe's economy is based exclusively upon the production of primary and secondary agricultural products. The volume and value of sales of these products during 1953, in order of their importance, were as follows:

### Agricultural Exports

| *Product* | *Volume* | *Value in French Francs* |
|---|---|---|
| Bananas | 80,000 metric tons | 6,400,000,000 |
| Sugar | 87,000 " " | 5,300,000,000 |
| Rum | 8,000,000 litres | 880,000,000 |
| Coffee | 400 metric tons | 240,000,000 |
| Cocoa | 300 " " | 90,000,000 |
| Vanilla | 5 " " | 10,500,000 |
| Total Value | | 12,920,500,000 |

The values shown are the average price c.i.f. French metropolitan port and carrying and other charges estimated at 30 per cent must be deducted from this total to determine the net value to Guadeloupe of these exports. Invisible receipts from investments abroad are practically nil and with the exception of vanilla, which is sold in New York, all exports find their way to France. The value of exports in 1953 was one billion French francs less than that of imports although, at the beginning of the year, a trade surplus of 2½ billion French francs was forecast.

### Imports Severely Restricted

Severe exchange restrictions have made it difficult, if not impossible, for local importers to buy outside France and the French Union. Consequently, North American products which up to three years ago sold in limited quantities in the territory no longer find their way to this market. For example, flour, which used to be obtained chiefly from the United States and, to a lesser degree, from Canada is now largely brought in from France. However, in order to supply the quality to which the Island is accustomed, French millers must blend their wheat with a substantial proportion of wheat imported from North America. This, of course, means that the Guadeloupe consumer pays the wheat carrying charges from North America to France, the cost of blending, and the carrying charges from France to Guadeloupe. A similar additional cost appears to apply to other products formerly bought elsewhere and now imported from France. The only exceptions to the rule of buying in France or the French Union are the following:

| *Product* | *Source* | *Percentage of Imports* |
|---|---|---|
| Agricultural machinery (including tractors) | United Kingdom, United States | 80 |
| Motor vehicles (including trucks) | United Kingdom, Belgium, Switzerland, United States | 10 |
| Sugar mill machinery | United Kingdom, United States | 5 |
| Diesel motors for electrical generating plants | United Kingdom | 15 |
| Radios, refrigerators (including freezers), optical and precision instruments, small machine tools, watches, etc. | Netherlands, United States, Switzerland | 35 |
| Matches | Belgium, Sweden | 50 |
| Butter | Netherlands, Denmark | 30 |
| Beer | Belgium, Denmark | 20 |
| Rice | Dutch Guiana | 10 |
| Lumber | British Honduras | 30 |
| Gasoline, fuel and lubricating oil | Trinidad, United States | 100 |
| Dress goods and wearing apparel | United Kingdom, United States | 5 |

### Sugar and Its Products

Sugar production in Guadeloupe in 1953 fell below the hoped-for 100 thousand tons because of a marked decline in yield and unsatisfactory output by local labour; this year, the figure will probably remain the same. Absenteeism made it impossible for some mills to work three shifts and this meant waste in processing. In addition, the mills were forced to operate beyond the normal grinding period and sugar production was adversely affected. Usually about 1,000 labourers have to be recruited from Dominica, St. Lucia, Antigua and St. Kitts to help with the sugar crop but for the 1954 season, it seems to be easier to find local labour.

Demand for rum fell off in 1953 compared with 1952 and only 9/10 of the quota of 12 thousand litres was marketed by the end of the "rum year," March 31, 1954. Prices were better than in 1952—about 105 francs per litre 110 proof f.o.b. unpackaged.

### Molasses Market

Guadeloupe factories sold about 12,000 tons of blackstrap molasses at 7¼ cents per American gallon; originally they had expected to receive only three cents a gallon. According to latest reports, local producers have contracted to sell 14,000 tons of the 1954 production at 7·65 cents per American gallon. The total value of this contract will be approximately US$300 thousand. Altogether, during the year Guadeloupe sugar producers were able to meet their financial commitments and realize a small return on their investment.

### Other Agricultural Products

Banana production in Guadeloupe increased by 4,000 tons over 1952 to a total of 80,000 tons, and 1954 production is now estimated at 85,000 tons. Prices were, on the average, ten francs higher and producers had a good year. Returns from exports totalled about 6,400,000,000 French francs. The ravages of spot leaf disease have become milder but it is still a menace and spraying is being undertaken in the most severely affected regions. Results, however, have been disappointing. The plans for the construction of a banana port at Riviere Sens, Guadeloupe, have been abandoned because of lack of capital.

The 1953 coffee crop totalled 400 tons, approximately the same as in 1952, and prices remained unchanged at an average of 600 French francs per kilo. c.i.f. French port, which is satisfactory to the planters. The cocoa crop was substantially the same as in 1952 at 300 tons, with prices steady at 300 French francs per kilo c.i.f. France. Returns to the planters at this price were considered to be satisfactory.

### Living Conditions

The cost of living in Guadeloupe remains among the highest in the Caribbean area. Its continued rise is attributed largely to the successive devaluations of the franc since 1945—from 50 francs to the US$1.00 to the present rate of 350 francs to the US$1.00. Another factor, mentioned earlier, is the severe exchange restrictions which have made it necessary for Guadeloupe importers to purchase from the French Union rather than from the nearest or cheapest source of supply. The change in political status from a colony to a department has also contributed to the rise because the application of French metropolitan fiscal laws and the institution of social security benefits have placed a heavier burden on the local taxpayer. These higher charges are, of course, passed on, with the result that the cost of consumer products is now higher.

Despite all this, in recent years living conditions in Guadeloupe have improved considerably. More and better homes are being built and facilities are being provided to care for the under-privileged. The most important items in this overall improvement are better medical care, increased child welfare activities, the installation of good water supply systems and sanitation facilities and adequate school accommodation.

### Communications

The entrance to the Point-à-Pitre harbour has been straightened out and ships of over 18,000 tons can now enter; additional berths to accommodate two ships will soon be completed and warehouses are being built. Many new roads have been made in the last five or six years and existing ones have been improved. Raizet airport, about three miles from Pointe-à-Pitre, is one of the best in the Lesser Antilles. It is now a port of call for Air France, B.W.I.A., KLM and Pan American Airways.

### The Outlook

Until foreign exchange restrictions are relaxed, there does not appear to be much possibility of an increase in Canadian exports to the Island. However, with the improvement in the trading position of the non-dollar areas, within the next few years products such as foodstuffs and canvas shoes (which were once imported from Canada) may again find a ready market in Guadeloupe.

## Data for Exporters

*The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Austria, Belgium, Belgian Congo, Bolivia, Brazil, Chile, Colombia, Cuba, Denmark, Dominican Republic, Egypt, Finland, France, Western Germany, Greece, Guatemala, Haiti, Iceland, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Nicaragua, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland and Venezuela.*

*If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.*

# ITALY *Imports Less Fish*

*Italy's foreign purchases of fish fell off during 1953, though Canadian shipments of codfish to that market doubled and sales of canned salmon rose slightly.*

M. S. STRONG, *Commercial Secretary (Fisheries), Rome.*

DURING 1953, imports of fish into Italy were approximately 24 per cent less than in 1952 and the lowest since 1946. The reason for this reduction was mainly the over-stocked market at the beginning of the year. Stocks of salted codfish in particular were very heavy as a result of strong competitive bidding, during the latter months of 1952, by two rival groups of importers for Icelandic and, to a lesser degree, Danish wet-salted cod. This bidding brought abnormal purchases at prices considerably higher than usual. The arrival of several large shipments of dried salted cod from Canada within a short period during the height of the Christmas trade also contributed to the overloading of the market. Importers, after experiencing heavy financial losses at the beginning of the year, exercised caution in contracting for new supplies. By the end of the year, however, the market had regained its stability.

Production of the Italian fishing industry in 1953 totalled 153,979 metric tons, 4,872 tons of which were landed by the deep-sea trawlers. This was a slight decrease compared with the 161,913 metric tons of 1952, 5,351 tons of which were the product of ocean fisheries. No substantial increase is anticipated during the present year.

## Codfish Leads Imports

In 1953, Italy bought abroad the following types of fish:

| *Type* | 1952<br>(metric tons) | 1953 |
|---|---|---|
| Salted codfish | 58,266 | 37,003 |
| Stockfish | 9,922 | 6,548 |
| Fresh and frozen fish | 24,420 | 22,543 |
| Herring, salted and smoked | 5,443 | 4,507 |
| Pilchards, salted | 1,664 | 793 |
| Anchovies and sardines, salted | 679 | 947 |
| Crustaceans and molluscs | 1,232 | 1,561 |
| Other fish: fresh, salted or smoked | 110 | 94 |
| Salmon, canned | 1,002 | 1,200 |
| Sardines and anchovies, canned | 11,744 | 11,705 |
| Tuna | 9,821 | 6,794 |
| Other fish, canned | 3,449 | 3,225 |
| Total fish imports | 127,752 | 96,920 |

Combined exports and re-exports of fish from Italy totalled approximately 1,000 metric tons both in 1952 and 1953.

Consumption of fish in Italy has never been as high per capita as in most other European countries. During the early postwar years the demand for fish rose because of the scarcity of other high-protein foods; this demand waned as supplies of meat improved. During the past two years, pork meat has been selling at low prices in the rural areas and consequently the consumption of salted cod, prices of which have remained high in comparison with pork, has fallen; during 1953, sales remained somewhat below 1952. In the early months of 1954 sales to rural districts were further hampered because heavy snowfalls blocked the roads.

## Salt Codfish Imports

Italy obtained her salt codfish mainly from the following sources:

| | 1952<br>(metric tons) | 1953 |
|---|---|---|
| Denmark | 23,992 | 8,466 |
| Iceland | 15,891 | 12,104 |
| Canada | 5,505 | 6,719 |
| France | 4,392 | 4,073 |
| Other countries* | 8,485 | 1,827 |
| National deep-sea fisheries | ........ | 3,814 |
| Total | 58,265 | 37,003 |

* In 1952 includes landings from Italian deep-sea trawlers.

## Canadian Sales Up

The statistics above reveal that, though imports of salted codfish in 1953 dropped by over 36 per cent compared with the previous year, Canada supplied 18 per cent of the market's requirements compared with 9·4 per cent in 1952. These figures testify to the Italian demand for the type of dried salted cod produced in Canada; in certain parts of the country, consumers prefer it because of its taste and keeping qualities, particularly in areas where refrigeration is non-existent or limited. The continuance of this demand will depend in no small part on the Canadian producer and exporter because the Italian market requires a large percentage of the top grades of dried salted cod.

The most important change in supplying countries during 1953 was the emergence of Iceland as the largest individual supplier. For some years previously, Denmark held this position but during the past year was unable to supply the percentage of large wet-salted cod which the market required.

Total imports of canned salmon into this market during the year under review amounted to 1,200 metric tons, compared with 1,002 metric tons in 1952. Of this, Canada supplied 1,156 metric tons, an increase of approximately 21 per cent over the previous year. Towards the end of the year, when difficulties arose over the release of dollar exchange for Canadian fish, importers bought large quantities fearing that imports of this commodity might be discontinued. Consequently, stocks available at the present time are considered heavy and until these are substantially reduced, demand for further quantities will probably be slow.

### Future Market Prospects

Stocks of codfish at the end of 1953 were considered fairly large but because no heavy shipments arrived in the first quarter of this year, there is not likely to be a large amount carried over the summer. This is particularly true of the Canadian product.

Demand for canned salmon is expected to be slow until later in the year. Purchases of the "Pink" variety during 1953 were higher than usual, and as a result, when the market for salmon strengthens there will probably be more interest in canned "Chum" salmon.

In considering prospects for the marketing of salt codfish in Italy during the present year, while it must be remembered that the 36 per cent reduction in imports in 1953 stemmed largely from over-buying in 1952, it cannot be expected that the demand will be as great as in 1950 and 1951, when 51,626 and 55,620 metric tons were imported and consumption was at its zenith. Regardless of the demand, sales of the Canadian product will depend on the ability and willingness of the Italian authorities to grant dollar exchange for this commodity. The same will, of course, also apply to sales of canned salmon.

# Italy *and Its Foreign Markets*

*Trade deficit increased in 1952; United States became the leading supplier, and Germany the principal customer. Italian interest in the Canadian market is growing.*

A. A. CARON, *Assistant Commercial Secretary, Rome.*

RECENT TRENDS in Italy's foreign trade are illustrated by the figures for 1952, the most complete available. The deficit trade balance at the end of 1952 was 581,600 million lire, compared with 305,800 million lire in 1951. The United States was Italy's chief supplier although its percentage of total Italian imports dropped to 21 per cent, compared with 37 per cent in 1951. On the other hand, Germany increased its sales and advanced to second place. The United Kingdom, France, Switzerland and Belgium were the other principal suppliers, and all four countries made larger sales to Italy in 1952.

### Germany Leading Buyer

On the export side, in 1952 Germany was once again Italy's principal customer, as it was before the war. The United States was second and the United Kingdom, the leading market in 1951, was third. Italy's exports to nearly all countries were smaller than in 1951. These reductions, particularly marked in the case of EPU countries, were largely the result of the restrictions adopted by the sterling and French franc areas.

**Italy's Foreign Trade in 1952**

| *Country* | *Value*<br>*Imports*<br>(in billion lire) | <br>*Exports* |
|---|---|---|
| United States | 303·4 | 87·0 |
| Germany | 133·4 | 87·6 |
| United Kingdom and Ireland | 80·2 | 71·3 |
| Australia | 59·1 | 16·1 |
| France | 57·5 | 56·6 |
| Switzerland | 54·2 | 56·2 |
| Australia | 41·9 | 24·0 |
| Belgium | 41·8 | 21·5 |
| India and Pakistan | 31·7 | 27·2 |
| CANADA | 30·4 | 5·8 |
| Sweden | 25·8 | 20·4 |
| Brazil | 23·7 | 19·9 |
| South Africa | 23·1 | 10·2 |
| Denmark | 21·4 | 8·7 |
| Yugoslavia | 19·8 | 18·3 |
| Argentina | 12·9 | 10·6 |
| Czechoslovakia | 7·6 | 7·1 |
| Greece | 6·7 | 26·3 |

The increase in the Italian trade deficit was not reflected in Italy's balance of payments because the deficit was reduced by increased receipts of invisibles, such as income from the tourist trade and remittances from emigrants.

### Imports and Exports

Italian imports consist mainly of foodstuffs and raw materials; exports are predominantly agricultural and finished industrial products. The increase in imports in 1952 was mostly in some food products and in raw materials for the textile and steel industries. The main imports showing a decrease were wheat, because of a record wheat harvest, and coal, because of the development of industries producing electrical energy and natural gases.

Sales of by-products of the oil refineries increased markedly, the result of expansion in the refineries to which foreign capital made an important contribution. However, exports of textiles, prepared foodstuffs, motor vehicles and sulphur decreased.

The following tables list the principal 1952 imports and exports showing an increase over the 1951 figures:

**Italian Imports**

| *Commodity* | *Volume* 1951 | 1952 |
|---|---|---|
| | (metric tons) | |
| Fresh and frozen meat | 41,169 | 50,481 |
| Prepared fish | 17,750 | 26,017 |
| Coffee | 53,345 | 60,961 |
| Edible olive oil | 6,783 | 12,483 |
| Oils and fats for industrial use | 83,638 | 114,735 |
| Raw cotton in bales | 189,053 | 203,898 |
| Unwashed wool | 47,885 | 64,977 |
| Iron ores | 402,006 | 709,613 |
| Other ferrous minerals | 176,736 | 337,517 |
| Rolled iron and steel sheets | 289,781 | 345,682 |
| Raw petroleum oils | 7,332,928 | 9,881,219 |
| Chemical products | 71,129 | 88,783 |
| Skins | 39,057 | 60,486 |

**Italian Exports**

| *Commodity* | *Volume* 1951 | 1952 |
|---|---|---|
| | (metric tons) | |
| Cheese | 10,243 | 14,042 |
| Rice | 230,825 | 273,485 |
| Wines (hectolitres) | 814,646 | 962,659 |
| Iron and iron alloys | 16,968 | 27,546 |
| Steel products | 66,803 | 87,272 |
| Machine tools for metals | 10,077 | 15,689 |
| Ball bearings | 2,987 | 4,541 |
| Petrol | 454,968 | 785,819 |
| Gas oils | 383,762 | 665,395 |
| Petroleum by-products | 372,684 | 1,086,809 |
| Chemical fertilizers | 64,963 | 293,794 |

Italo-Canadian trade in 1952 followed about the same pattern as in 1951, as can be seen from the following figures published by the Italian Institute of Statistics:

| | 1951 | 1952 |
|---|---|---|
| | (thousands of lire) | |
| Imports | 30,382,850 | 30,401,933 |
| Exports | 5,983,161 | 5,824,971 |
| Italy's deficit | 24,399,689 | 24,576,962 |

In 1952, Canada found in Italy a good market for wheat and flour but these sales have now fallen because of a bumper Italian wheat crop and a greater use of domestic milling facilities. Imports of Canadian codfish from Newfoundland and the Gaspe Peninsula were valued at 1,322,766,000 lire in 1952; preliminary figures indicate that imports of this commodity rose during 1953. British Columbia fisheries also were able to export larger quantities of Chum salmon to Italy in 1953. The other products imported from Canada included base metals, sulphite pulp, drugs, medicinals and chemicals.

Italy has increased her sales to Canada of textiles, precision instruments, calculating machines, textile machinery and some foodstuffs, such as cheese, tomato paste and olive oil. Italian industrialists and businessmen are showing more interest in developing their sales in the Canadian market and this should help Italy to reduce her trade deficit with this country.

## Scandinavian Project

*A bridge-tunnel highway across the Sound to connect Copenhagen, Denmark, with Malmö in Sweden has been discussed for many years in Scandinavia. Should the two Governments approve the present scheme submitted to them by three Swedish and three Danish contractors, the tunnel, estimated to cost about $60 million, could be a reality by 1962.*

*The total length of the new highway, which is planned for motor vehicles only, would be 11¼ miles. From the centre of Copenhagen it would take about 40 minutes to drive to the centre of Malmö; now, with the ferry connection, it takes over two hours, not counting the queuing time at the ferry terminals. The new road would run along a causeway over half a mile long, built out from the east coast of the Danish island, Amager. From the island the highway would continue down to a 1¾ mile tunnel under Drogden, the principal shipping channel in the Sound. From the tunnel the road would run up to another causeway over the Danish island of Saltholm and thence by a four-mile bridge to the west coast of Skåne in Sweden. The largest span of the bridge would be 1,000 feet long and about 150 feet high. The road would have two separate highways 24 feet wide, each divided into two traffic files. The total capacity is estimated at 10-15 million vehicles a year, and the maximum traffic volume at 2,000-3,000 vehicles an hour.*

# Business in the American Midwest

*First quarter of 1954 saw Midwest industrial production, retail sales and payrolls slip below the 1953 figures, but firm wholesale prices, the active construction industry, and rising common stock prices are heartening signs.*

ROBERT GORDON, *Vice-Consul and Trade Commissioner, Chicago.*

IN THE CHICAGO AREA, the current recession shows few signs of having run its course. Business activity continued to move downward steadily during the first quarter of this year, but there are indications that the curve is beginning to flatten out and that the rate of decline is slackening. So far, the drop in industrial production is about equal to that of the 1948-49 adjustment and wage and salary receipts have also moved down gradually. However, wholesale prices, contrary to other periods of business decline, have held firm and common stock prices have actually risen.

Although there are frequent and confident expressions in the local press and in national publications that the worst of the decline is over, it has not yet been demonstrated statistically and reports of adverse results in the business field continue to be received. However, despite lower sales, a large number of important Midwestern companies have been showing excellent financial results in the early months of the year because of the elimination of the excess profits tax on January 1st. This is undoubtedly one of the chief reasons for the continued strength of the stock market.

### Steel Production Sets Record

A new record was set in Chicago in 1953 for the production of steel and total tonnage amounted to 20·7 million, exceeding Pittsburgh's output for the first time. The gain in steel capacity, however, is still not sufficient to supply Chicago's needs and the area continues to consume more steel than it produces. Steel production was cut back rather sharply towards the latter part of 1953, and first quarter production for 1954 is considerably down from the same period last year. Even if production for the last half of 1954 should rise, it is doubtful whether the record figures of 1953 will be reached.

### Construction Picture

One of the bright spots in the Midwestern picture is construction. Although public construction is running below the 1953 figure, private housing and industrial

—Chicago Assoc. of Commerce and Industry

*A mile-long promenade parallels the Chicago lakefront; in the background loom the skyscrapers of the business district with the Stevens, the world's biggest hotel, on the left; in the foreground, Grant Park and its famous band-shell.*

construction are ahead of the same period last year. This augurs well for the extensive lumber trade which Canada carries on with the Midwest.

During 1953 industrial projects announced in the Chicago metropolitan area were down from 1952 and from the $400 million record total of 1951. But in spite of the decline of the past two years, the Chicago area has invested about $1·7 billion in industry during the eight postwar years—the largest investment in any metropolitan area in the United States. Although industrial construction was down in 1953, private and public housing made new records and the gain over the previous year was some 20 per cent.

### Department Store Sales Down

Department store inventories in the large Midwestern cities at the end of 1953 were 4 per cent higher than a year earlier. This was in the face of very cautious buying throughout the autumn in an attempt to maintain satisfactory stock-sales ratios. Sales were not seriously affected up to the end of the year, but first-quarter reports show a sharp drop for most of Chicago's larger mail order houses and department stores.

The maintenance of wholesale prices at a time when production and sales are dropping is an unusual feature of 1954. In February 1954 the index of prices for all commodities was virtually the same as in July 1953, considered the peak month. This is in sharp contrast with earlier periods of business decline, when price levels were more sensitive to reductions in demand. Various types of informal price concessions —discounts from list prices, special sales, absorption of delivery charges and other costs—have undoubtedly become much more common in recent months in wholesale as well as in retail markets. There is no evidence, however, that such concessions are more prevalent than in earlier down-turns, and their translation into lower formal prices has been successfully resisted so far.

### Balanced Labour Supply

Unemployment has not been a serious problem in the Chicago area so far in 1954. There has been a decline in labour employed in manufacturing but the service industries have largely taken up the surplus manpower. Unemployment figures, however, are coming close to those of 1949 and during the week ended April 17th there were 172,711 persons seeking benefit payments in the state of Illinois. This compares with 189,878 compensation claims, the high point during the 1948-49 adjustment, which was reached in August 1949. The present unemployment figures are not considered excessive and Chicago is the only large metropolitan area in the United States classified by the Department of Labour as having a balanced labour supply. All others have some labour surplus.

On the whole, the 1954 outlook for Canadian exports to the Midwest is reasonably good. Although there has been some unemployment, the volume of consumer purchasing has held up well and this situation is expected to continue in the next quarter. The strength in the construction industry should maintain our large lumber and plywood shipments at approximately the 1953 level.

### Introducing Canadian Products

Several Canadian companies were successful in introducing consumer products to Chicago stores in the early part of this year, despite the conservative buying. There still are (and will be for some time to come) excellent opportunities in the consumer field for Canadian firms whose products are competitive and who will make the effort to sell the Midwestern market.

## Casein in France

*French casein production reached a peak of 15,000 tons in 1951, influenced by the high international prices. With the lower returns in 1952, production fell to 10,000 tons; other factors were the dry summer and the foot and mouth epidemic. The situation subsequently improved and with record milk production expected this summer, 1954 casein output will probably revert to 15,000 to 20,000 tons.*

*French production is almost all lactic and is centered for the most part in the Charentes area of southwest France, with a smaller output in the Anjou district. Normandy is not an important producer because it concentrates on butter and cheese and it is said that the soil does not produce a good casein; most of the skimmed milk is fed to calves and hogs. However, some of the surplus production in Normandy from May to July goes into casein.*

*French consumption totals about 3,000 to 4,000 tons, the remainder is exported. The principal market is the United States, followed by Germany and the United Kingdom. Italy is becoming a more important market because it uses casein for synthetic wool.*

*The minimum domestic price at which casein could be produced economically as against milk powder has been 65 francs per kilo (360 francs=$1.00 Can.) but producers feel that this year, with the expected heavy milk production, this may be reduced to 55 francs. This is because demand for butter and cheese within France is fairly stable and exporting is difficult because of the high prices.*

V. F. WIGHTMAN,
*Office of the Commercial Counsellor, Paris*

# Chicago's Merchandise Mart

R. V. N. GORDON, *Vice Consul and Trade Commissioner, Chicago.*

TOWERING INTO THE AIR on Chicago's famous Wacker Drive stands the Merchandise Mart, for many years the biggest building in the world and out-ranked today only by the Pentagon in Washington. Its walls enclose a net rentable area of over three million square feet and in this and other attributes, the Mart deserves the Hollywood adjective "colossal". It was built on what is regarded as the site which LaSalle, the first explorer of the Great Lakes Region, christened "the gateway to an empire".

## Centre for Wholesale Trade

As one of the world's largest wholesale traders, Chicago had long felt the need for a great merchandising market which would help the city to achieve the same leadership in the wholesale field as Detroit in the automotive or New York in the financial field. In 1930 this need was met when Marshall Field and Company, the owners, officially opened the Mart. Fifteen years later, the ownership passed to Joseph P. Kennedy, former United States Ambassador to the United Kingdom.

The occupancy and activity of the building have grown from year to year as manufacturers and wholesalers realized its many advantages and as retailers found it quick and convenient to make a periodic visit and do all their buying under one roof. With this consistent growth, the Merchandise Mart has become recognized as the world's largest buying centre.

## Construction and Facilities

The Mart is constructed on "air rights" and owns only the ground into which 458 supporting caissons are sunk, 100 feet below street level. Included in the material for construction were nearly four million cubic feet of concrete and twenty million bricks. Eighty per cent of the building is air conditioned, and the air-conditioning plant, containing 7,000 tons of equipment, is the largest in any commercial building.

The Mart is unique in that it can be served by water, air, railroad and truck. Six railroad tracks run under the building at ground level and deliver coal and other freight to the elevators. Five bus lines also serve the Mart directly, one of which is a shuttle service providing transportation to Chicago's famous State Street retail district and many of the hotels in the Loop. The roof has a helicopter landing field.

## Markets and Permanent Displays

Buyers make more than 500 thousand buying visits a year to this building and, although it is open 52 weeks of the year, there are a number of special markets. The chief of these are the semi-annual home furnishing markets which run for two weeks. The market for spring and summer merchandise is held in January and for fall and winter merchandise in June. An average of 27,000 buyers register for each home furnishings market.

Approximately 1,209,000 separate items of merchandise are included in the wholesale lines permanently displayed in the building by more than 3,200 manufacturers. Hundreds of firms maintain and staff their own elaborate display rooms but many of the tenants are manufacturers' agents who exhibit merchandise from many countries, including, occasionally, some products from Canada. Of the goods displayed at the present time there are:

| | |
|---|---|
| 209 | furniture lines |
| 134 | floor covering lines |

174 curtain and drapery lines
476 housewares, appliances, radio and TV lines
250 toys, games and wheel goods lines
205 men's and boys' wear lines
948 china, glass, pottery, and gift lines
224 lamps, shades, and lighting fixture lines
817 women's, children's and infants' wear lines
161 linen, bedding, and domestic lines

Canadian firms in the home furnishings or apparel field who wish to sell in the Midwestern States would be well advised to check the possibility of obtaining display space at the Merchandise Mart. Many buyers from Canada visit the building each year, but so far few Canadian manufactures have been on display. The Canadian Trade Commissioner in Chicago will be glad to help Canadian companies anxious to obtain more information about the facilities offered by the Mart. ●●

# trade and tariff regulations

## Belgium

CHANGE IN SALES TAX SYSTEM—Two Belgian decrees, effective April 13 and 23 respectively, revise the sales tax applicable to some goods imported into Belgium or produced in that country.

Among these changes, the tax on the following commodities, payable only once, has been reduced from 9 to 4½ per cent of their value: building bricks and blocks of earthenware or cement, not ornamental; floors, roofing and staircases of earthenware, concrete or asbestos cement; slates, bricks, paving bricks and guttering of concrete or cement.

Further, the 4½ per cent sales tax on the goods listed below is now payable only at the time of importation or sale by the Belgian manufacturer, and shall cover all subsequent transactions until the goods reach the actual consumer or are submitted for a further manufacturing process: oleaginous seeds and fruit other than flaxseed; fixed vegetable oils except cocoa butter; linseed oil; oils and fats from fish and other marine animals; acid oils and fatty acids obtained from the refining of fats and oils from fish, from vegetable oils or linseed oil. The transformation of seeds into oils, purification, refining, hydrogenating of oils and similar processes are not considered as manufacturing operations and thus do not subject the goods to a further payment of the tax—Brussels, April 23.

## Brazil

NEW LIST OF IMPORTS UNDER "ARANHA PLAN"—On March 20, 1954, the list of imports according to exchange auction categories under the "Aranha Plan" was modified extensively. Since October 1953, Brazilian import and exchange control regulations have implemented the control system introduced by Senhor Aranha, the Brazilian Minister of Finance. Under this system all imports are divided into five categories according to essentiality, and are granted import licences only after purchase of the necessary exchange certificates from the Bank of Brazil. A circular concerning the details of this new list is available from the International Trade Relations Branch.

## France

TEMPORARY COMPENSATION TAX—Effective April 21, 1954, the French Government has imposed a special temporary compensation tax of 10 or 15 per cent ad valorem on certain imports from all countries. (This tax is intended to compensate for the disparity between French prices and foreign prices of these products.)

In conjunction with this tax, France has made a further liberalization of imports from OEEC countries with the result that the list of goods free from import control when imported from OEEC countries will be expanded from the present level of 18 per cent to approximately 53 per cent of 1948 imports. (Canadian goods are not subject to this liberalization.)

Among the Canadian products affected by this new tax and the respective rates are: lead ore (10 per cent); zinc oxide (10 per cent); copper (15 per cent); lead (10 per cent), zinc (15 per cent) and cobalt (10 per cent) in primary form; semi-fabricated lead (10 per cent); construction machinery (15 per cent); machine and apparatus for dairy industry (15 per cent).

*For details about products affected, write to the International Trade Relations Branch of the Department.*

### Greece

CURRENCY REFORM—A Greek law of April 20 provides for new currency in various denominations omitting three zeros from the former equivalent notes. For example, old 10,000 drachma notes are being replaced by 10 drachma notes, and coinage for smaller denominations is to be provided shortly. The old currency will be withdrawn gradually.

The currency reform does not alter the domestic or exchange value of the Greek currency, it merely provides for its expression in smaller denominations. The parity of the drachma to the dollar thus remains unchanged, but will be expressed in drachmas of the new issue, i.e., 30 drachmas instead of 30,000 to one United States dollar. Similarly, specific customs duties will be expressed in the new currency.

Effective May 1, transactions and existing accounts in drachmas and prices of commodities in Greece must be expressed in new drachmas—Athens, May 6.

### Japan

IMPORTS UNDER FOREIGN EXCHANGE FUND ALLOCATION SYSTEM—The Japanese Ministry of International Trade and Industry has issued three Import Notices announcing that licences will be issued to applicants for the import of specified commodities under the Foreign Exchange Fund Allocation System during the period April 1 to September 30, 1954.

Under this import procedure, a quota is established for each commodity under the Budget. The importer must first obtain an allocation of foreign exchange before making application for import licence. Application for import licences may be submitted to the foreign exchange bank up to September 30, 1954. According to the notices, licences will be considered for imports of the following goods from the dollar area: iron ore; iron and steel scrap (including ships for scrap); petroleum coke; pulp for synthetic fibre; raw wool; raw cotton; other textile materials; salt; asbestos; non-ferrous ores; non-ferrous metals; coal; beef tallow; agricultural chemicals.

Licences will also be considered for the following goods from the dollar area for exhibition at the Japanese International Trade Fair: machinery, medical instruments, medicines, woollen fabrics, nylon products, watches, musical instruments, foodstuffs (except staple food), beverages, linoleum, cosmetics, leathers, hardboard and coreboard.

IMPORTS UNDER AUTOMATIC APPROVAL SYSTEM—The Japanese Government has issued a list of goods which may be imported under the Automatic Approval System during the period April 1 to September 30, 1954.

Under this import procedure an overall quota is established under the Budget for scheduled goods. Until the limit is reached, importers may present applications for import licences to the foreign exchange bank and automatically receive licences. Applications will be accepted up to September 30, 1954.

Some 79 items of scheduled commodities may be imported from the dollar area under the Automatic Approval System. Many of these items are of interest to Canada, such as: frozen meat; linseed; mica; iron ore; copper, chrome, manganese and other non-ferrous ores; polyethylene, polystyrene and styrenemonomer; cobalt and chrome metal; specified drugs, medicines and chemicals.

Imports under this procedure are in addition to those imported under other licensing methods established under the Foreign Exchange Budget.

Further details may be obtained, on request, from the International Trade Relations Branch, Department of Trade and Commerce.

### Montserrat

OPEN GENERAL LICENCE—The Supply Officer of Montserrat announced on March 9th that the following goods may be imported from any country provided that they are wholly produced in the country of origin, that payment is made to that country and that a certificate of origin is provided:

Tinplate, terneplate or black plate
Semi-manufactured copper
Semi-manufactured zinc
Semi-manufactured nickel
Borax
Boric acid
Newsprint
Jute goods
Onions
Dried, smoked, pickled and salted fish
Potatoes
Animal feeding stuffs, excluding coconut meal, cotton seed meal, wheat and wheat flour
Finished steel (excluding fabricated steel) as under:
(a) heavy steel products including rails, sleepers, etc., and heavy and medium plate
(b) light rolled products including bars, rods, hoops and strips
(c) steel sheets
(d) wire plain or barbed other than insulated wire
(e) wire rods
(f) tubes and pipes including tube fittings
(g) tires, wheels and axles
(h) steel forgings
(i) nails, screws, nuts and bolts
Kraft paper
Cheese
Fish, canned
Meat
Split peas
Milk, powdered and canned

### United States

PROCLAMATION ON IMPORTS OF RYE—On March 31, 1954, the President issued a Proclamation stating, under authority of section 22 of the Agricultural Adjustment Act, that, (1), the total aggregate quantity of rye, rye flour, and rye meal which may be entered, or withdrawn from warehouse, for consumption in the period April 1 to June 30, 1954, shall not exceed 31 million pounds, of which not more than 2,500 pounds may be in the form of rye flour or rye meal; and (2), the total aggregate quantity of rye, rye flour, and rye meal which may be entered, or withdrawn from warehouse, for consumption in the 12-month period beginning July 1, 1954, shall not exceed 186 million pounds, of which not more than 15,000 pounds may be in the form of rye flour or rye meal.

Furthermore, it is stated that the provisions of this Proclamation shall not apply to certified or registered seed rye for use for seeding and crop-improvement purposes, in bags tagged and sealed by an officially recognized seed-certifying agency of the country of production, if (a), the individual shipment amounts to 100 bushels or less, or (b), the individual shipment amounts to more than 100 bushels and the written approval of the Secretary of Agriculture is presented at the time of entry, or bond is furnished conditional upon the production of such written approval within six months from the date of entry.

DUTY ON ALUMINUM ROOFING AND SIDING SHEETS—An abstract of U.S. Customs decisions, T.D. 53480, published in weekly *Treasury Decisions* of April 29, 1954, states that aluminum roofing an siding sheets, corrugated and of standard dimensions, are classifiable as "aluminum in sheets at the rate of three cents per pound under tari paragraph 374: rather than as "articles, not speciall provided for," composed of aluminum, at the rate c 22½ per cent ad valorem under tariff paragraph 397

TARIFF CLASSIFICATION OF FILAMENTS O SYNTHETIC TEXTILE—An abstract of U.S. Custom decisions, T.D. 53480, published in weekly *Treasur Decisions* of April 29, 1954, states that the provisio for filaments of synthetic textile in tariff paragrap 1301 relates to such filaments which are in a material status, i.e., filament suitable for many purpose When such filaments are cut to specified lengths an wound on spools under circumstances which dedicat them to a particular commercial use, such as reta spools of nylon fishing line, they are classifiable a manufactures of a synthetic textile under tari paragraph 1312, unless more specifically provide for elsewhere.

DUTY ON CANNED BEEF STEW—A decision c the United States Customs Court, C.D. 1607, published in weekly Treasury Decisions of April 2 1954, holds that canned beef stew, composed of mea vegetables, and gravy or sauce, is dutiable at 20 pe cent ad valorem under tariff paragraph 1558 as non-enumerated manufactured article, rather tha under tariff paragraph 775 either at 25 per cent a valorem under the item for "hash" or at 17½ pe cent ad valorem under the item for "soups".

## trade commissioners on tour

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date o conditions here and to renew their contacts with businessmen. Details of their itineraries appear under th heading, as a service to exporters and importers who wish to discuss trading problems with them.

W. D. WALLACE, Commercial Secretary in Djakarta, Indonesia, began his Canadian tour in Ottawa on March 3rd and completes it in Winnipeg, June 17th and Vancouver, June 22nd to 30th.

Businessmen in these centres may get in touch with Mr. Wallace through the Canadian Manufacturers Association in Winnipeg and the Department of Trade and Commerce in Vancouver (355 Burrard Street).

M. R. M. DALE, Commercial Secretary in Santiag Chile, began his Canadian tour in Windsor o March 30th and completes it in Toronto, June 14-2 where businessmen may get in touch with hi through the Canadian Manufacturers Association. On completion of his tour, Mr. Dale will be poste to Cairo, Egypt.

# foreign trade service abroad

* No Foreign Trade Officer at this post.
Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

| Territory | Officer | City Address | Mail and Cables, Office Telephone |
|---|---|---|---|
| **Argentina** | C. S. Bissett, Commercial Counsellor<br>W. F. Hillhouse, Agricultural Secretary | Canadian Embassy,<br>Bartolome Mitre 478,<br>BUENOS AIRES | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* 33-8237 |
| **Australia**<br>(Capital Territory, New South Wales, Queensland, Northern Territory)<br>Dependencies | C. M. Croft, Commercial Counsellor for Canada<br>C. M. Forsyth-Smith, Assistant Commercial Secretary | City Mutual Life Building,<br>60 Hunter Street,<br>SYDNEY | *Mail:*<br>P.O. Box 3952 G.P.O.<br>*Cable:* CANADIAN<br>*Tel.:* BW 9351 |
| Australia<br>(Victoria, South Australia, Western Australia, Tasmania) | R. W. Blake, Commercial Secretary for Canada and Agricultural Secretary | 83 William Street,<br>MELBOURNE | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* MU 4716 |
| **Belgian Congo**<br>Angola, French Equatorial Africa | A. B. Brodie, Canadian Government Trade Commissioner | Forescom Building,<br>LEOPOLDVILLE 1. | *Mail:*<br>Bôite Postale 373<br>*Cable:* CANADIAN<br>*Tel.:* 2706 |
| **Belgium**<br>Luxembourg | T. J. Monty, Commercial Secretary<br>K. G. Ramsay, Assistant Commercial Secretary | Canadian Embassy,<br>35 rue de la Science,<br>BRUSSELS | *Mail:* (City Address)<br>*Cable:* CANADIAN<br>*Tel.:* 11-33-88 |
| **Brazil** | C. J. Van Tighem, Commercial Secretary<br>H. M. Maddick, Assistant Commercial Secretary | Canadian Embassy,<br>Edificio Metropole,<br>Av. Presidente Wilson 165,<br>RIO DE JANEIRO | *Mail:*<br>Caixa Postal 2164<br>*Cable:* CANADIAN<br>*Tel.:* 42-4140 |
| Brazil | M. P. Carson, Vice Consul and Trade Commissioner | Canadian Consulate,<br>Edificio Alois,<br>Rua 7 de Abril 252,<br>SAO PAULO | *Mail:*<br>Caixa Postal 6034<br>*Cable:* CANADIAN<br>*Tel.:* 36-6301 |
| ***Ceylon** | Office of the High Commissioner for Canada | 6 Gregory's Road,<br>Cinnamon Garden,<br>COLOMBO | *Mail:* P.O. Box 1006<br>*Cable:* DOMCANADA<br>*Tel.:* 91341 |
| **Chile** | R. E. Gravel, Commercial Secretary | Canadian Embassy,<br>6th Floor,<br>Av. General Bulnes, 129,<br>SANTIAGO | *Mail:* Casilla 771<br>*Cable:* CANADIAN<br>*Tel.:* 64189 |
| **Colombia**<br>Ecuador | W. J. Millyard, Commercial Secretary<br>J. P. Lancaster, Assistant Commercial Secretary | Canadian Embassy,<br>Avenida Jimenez No. 7-25,<br>Office 613,<br>BOGOTA | *Mail:* Apartado 1618<br>*Airmail:*<br>Apartado Aereo 3562<br>*Cable:* CANADIAN<br>*Tel.:* 12-251 |
| **Cuba** | G. A. Browne, Commercial Secretary<br>W. R. Van, Assistant Commercial Secretary | Canadian Embassy,<br>Edificio Motor Centre,<br>Calle Infanta 16,<br>HAVANA | *Mail:* Apartado 1945<br>*Cable:* CANADIAN<br>*Tel.:* UO-9457 |
| **Dominican Republic**<br>Haiti, Puerto Rico | Canadian Government Trade Commissioner | Edificio Copello 408,<br>Calle El Conde,<br>CIUDAD TRUJILLO | *Mail:* Apartado 451<br>*Cable:* CANADIAN<br>*Tel.:* 5318 |
| Dominican Republic<br>Haiti, Puerto Rico<br>Jamaica | E. M. Gosse, Canadian Trade Commissioner (Fisheries) | | |

| Territory | Officer | City Address | Mail and Cables, Office Telephone |
|---|---|---|---|
| **Egypt**<br>Aden, Sudan, Cyprus, Ethiopia, Saudi Arabia | A. G. Kniewasser, Acting Canadian Government Trade Commissioner | Osiris Building, Sharia Walda, Kasr-el-Doubara, Cairo | *Mail:* P.O. Box 1770<br>*Cable:* Canadian<br>*Tel.:* 23110 |
| **France**<br>Algeria, French Morocco, French West Africa, Tunisia | B. C. Butler, Commercial Counsellor for Canada | 3 rue Scribe, Paris | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* OPEra 42-30 |
| | Assistant Commercial Secretary | | |
| | J. H. Stone, Asssistant Commercial Secretary | | |
| **Germany**<br>Federal Republic | B. A. Macdonald, Commercial Counsellor | Canadian Embassy, 22 Zitelmannstrasse, Bonn | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* Bonn 21971 |
| | I. V. Macdonald, Assistant Commercial Secretary | | |
| Germany | Wm. Van Vliet, Agricultural Secretary | | |
| **Greece**<br>Israel, Turkey | H. W. Richardson, Commercial Secretary | Canadian Embassy, 31 Vassilissis Sophias Ave., Athens | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* 72-853 |
| **Guatemala**<br>Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone | J. C. Depocas, Canadian Government Trade Commissioner | 5a Avenida Sud, 10-68 Guatemala City | *Mail:* P.O. Box 444<br>*Airmail:* P.O. Box 400<br>*Cable:* Canadian<br>*Tel.:* 5590 |
| | Assistant Trade Commissioner | | |
| **Hong Kong**<br>China, Indo-China, Macao, Taiwan | T. R. G. Fletcher, Canadian Government Trade Commissioner | Hong Kong and Shanghai Banking Corporation Bldg., Hong Kong | *Mail:* P.O. Box 126<br>*Cable:* Canadian<br>*Tel.:* 28336 |
| | M. B. Blackwood, Assistant Trade Commissioner | | |
| **India** | Richard Grew, Commercial Counsellor | Office of the High Commissioner for Canada. 4 Aurangzeb Road, New Delhi | *Mail:* P.O. Box 11<br>*Cable:* Canadian<br>*Tel.:* 40191 |
| India | D. M. Holton, Canadian Government Trade Commissioner | Gresham Assurance House, Mint Road, Bombay | *Mail:* P.O. Box 886<br>*Cable:* Canadian<br>*Tel.:* 20672 |
| | W. P. Birmingham, Assistant Trade Commissioner | | |
| **Indonesia** | W. D. Wallace, Commercial Secretary | Canadian Embassy, Tanah Abang Timur 2, Djakarta | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* Gambir 499 |
| **Ireland** | T. G. Major, Commercial Counsellor for Canada | 66 Upper O'Connell St., Dublin | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* 44251 |
| **Italy**<br>Libya, Malta, Yugoslavia | S. G. MacDonald, Commercial Counsellor | Canadian Embassy, Via Saverio Mercadante 15, Rome | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* 846-842 |
| | A. A. Caron, Assistant Commercial Secretary | | |
| Italy | C. F. Wilson, Agricultural Counsellor | | |
| Italy | M. S. Strong, Commercial Secretary (Fisheries) | | |

| Territory | Officer | City Address | Mail and Cables, Office Telephone |
|---|---|---|---|
| **Jamaica**<br>Bahamas,<br>British Honduras | M. B. Palmer,<br>Canadian Government<br>Trade Commissioner | Canadian Bank of<br>Commerce Chambers,<br>Kingston | *Mail:* P.O. Box 225<br>*Cable:* Canadian<br>*Tel.:* 2858 |
| **Japan**<br>Korea | J. C. Britton,<br>Commercial Counsellor | Canadian Embassy,<br>Tokyo | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* 48-4116 |
|  | R. F. Renwick,<br>Assistant Commercial<br>Secretary |  |  |
| Japan | Paul Sykes,<br>Canadian Government<br>Trade Commissioner | 7th Floor, Crescent Bldg.,<br>72 Kyomachi, Ikutaku,<br>Kobe | *Mail:* P.O. Box 513<br>*Cable:* Canadian<br>*Tel.:* 48966 |
| **Lebanon**<br>Iraq, Jordan, Syria | G. F. G. Hughes,<br>Canadian Government<br>Trade Commissioner | Centre Urbain Emir Beshir,<br>Bâtiment A1,<br>Rue Emir Beshir, L'Azarieh,<br>Beirut | *Mail:*<br>Bôite Postale 2300<br>*Cable:* Canadian |
| **Mexico** | M. T. Stewart,<br>Commercial Counsellor | Canadian Embassy,<br>Edificio Internacional,<br>Paseo de la Reforma,<br>Mexico, D. F. | *Mail:*<br>Apartado 126-Bis<br>*Cable:* Canadian<br>*Tel.:* 36-27-90 |
|  | S. G. Tregaskes,<br>Assistant Commercial<br>Secretary |  |  |
| **Netherlands** | V. L. Chapin,<br>Commercial Secretary | Canadian Embassy,<br>Sophialaan 1-A,<br>The Hague | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* 18-51-06 |
| Netherlands<br>Belgium, Denmark,<br>Luxembourg | C. J. Small,<br>Acting<br>Agricultural Secretary |  |  |
| **New Zealand**<br>Fiji, Western Samoa | L. S. Glass,<br>Commercial Counsellor | Office of the High Commissioner<br>for Canada, Government Life<br>Insurance Bldg.,<br>Wellington | *Mail:* P.O. Box 1660<br>*Cable:* Canadian<br>*Tel.:* 70-644 |
| **Norway**<br>Denmark, Greenland | J. L. Mutter,<br>Commercial Counsellor | Canadian Legation,<br>Fridtjof Nansens Plass 5,<br>Oslo | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* 33-30-80 |
| **Pakistan**<br>Afghanistan, Iran | R. K. Thomson,<br>Commercial Secretary | Office of the<br>High Commissioner for Canada,<br>Hotel Metropole, Victoria Rd.,<br>Karachi | *Mail:* P.O. Box 3703<br>*Cable:* Canadian<br>*Tel.:* 5826 |
| **Peru**<br>Bolivia | H. J. Horne,<br>Commercial Secretary | Canadian Embassy,<br>Edificio Boza, Carabaya 831,<br>Plaza San Martin,<br>Lima | *Mail:* Casilla 1212<br>*Cable:* Canadian<br>*Tel.:* 71150 |
| **Philippines** | F. H. Palmer,<br>Consul General<br>and Trade Commissioner | Canadian Consulate General,<br>Ayala Building,<br>Juan Luna Street,<br>Manila | *Mail:* P.O. Box 1825<br>*Cable:* Canadian<br>*Tel.:* 3-33-35 |
|  | H. E. Lemieux,<br>Vice Consul and<br>Assistant Trade<br>Commissioner |  |  |
| **Portugal**<br>Azores, Madeira | L. M. Cosgrave,<br>Commercial Counsellor | Canadian Legation,<br>Avenida de Praia da Vitoria,<br>48—1°D.,<br>Lisbon | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* 53117 |
| **Singapore**<br>Brunei, Burma,<br>Federation of<br>Malaya,<br>North Borneo,<br>Sarawak, Thailand | D. S. Armstrong,<br>Canadian Government<br>Trade Commissioner | Room D-5, Union Building,<br>Singapore | *Mail:* P.O. Box 845<br>*Cable:* Canadian<br>*Tel.:* 7739 |
| **South Africa**<br>(Natal, Transvaal)<br>Federation of<br>Rhodesia and<br>Nyasaland,<br>Mozambique, Kenya,<br>Tanganyika,<br>Uganda, Zanzibar | K. F. Noble,<br>Canadian Government<br>Trade Commissioner | Mutual Building,<br>Harrison Street,<br>Johannesburg | *Mail:* P.O. Box 715<br>*Cable:* Cantracom<br>*Tel.:* 33-2628 |
|  | H. E. Campbell,<br>Assistant Trade<br>Commissioner |  |  |

| Territory | Officer | City Address | Mail and Cables, Office Telephone |
|---|---|---|---|
| South Africa<br>(Cape Province, Orange Free State), Southwest Africa, Mauritius, Madagascar | A. W. Evans, Canadian Government Trade Commissioner | Grand Parade Centre Bldg.,<br>Adderley Street,<br>Cape Town | *Mail:* P.O. Box 683<br>*Cable:* Cantracom<br>*Tel.:* 2-5134/5 |
| **Spain**<br>Balearic Islands, Canary Islands, Gibraltar, Rio de Oro, Spanish Morocco, Tangier | Commercial Secretary | Canadian Embassy,<br>Edifico España,<br>Avenida de Jose Antonio 88,<br>Madrid | *Mail:* Apartado 117<br>*Cable:* Canadian<br>*Tel.:* 22-28-10 |
| **Sweden**<br>Finland | F. W. Fraser, Commercial Counsellor<br>L. A. Campeau, Assistant Commercial Secretary | Canadian Legation,<br>Strandvagen, 7-C,<br>Stockholm | *Mail:* P.O. Box 14042<br>*Cable:* Canadian<br>*Tel.:* 67-92-15 |
| **Switzerland**<br>Austria, Czechoslovakia, Hungary | Yves Lamontagne, Commercial Counsellor<br>W. R. Hickman, Acting Commercial Secretary | Canadian Embassy,<br>Kirchenfeldstrasse 88,<br>Berne | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* 4-63-81 |
| **Trinidad**<br>Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, French West Indies | P. V. McLane, Canadian Government Trade Commissioner<br>R. R. Parlour, Assistant Trade Commissioner | Colonial Building,<br>72 South Quay,<br>Port-of-Spain | *Mail:* P.O. Box 125<br>*Cable:* Canadian<br>*Tel.:* 34787 |
| **United Kingdom**<br>(South of England, East Anglia, Scotland), Iceland, British West Africa (Gambia, Gold Coast, Nigeria, Sierra Leone) | R. P. Bower, Commercial Counsellor<br>R. Campbell Smith, Commercial Secretary<br>T. M. Burns, Assistant Commercial Secretary<br>W. G. Pybus, Assistant Commercial Secretary | Office of the High Commissioner for Canada,<br>Canada House,<br>Trafalgar Square,<br>London, S.W.1 | *Mail:* (City Address)<br>*Cable:* Sleighing<br>*Tel.:* Whitehall 8701 |
| United Kingdom | D. A. B. Marshall, Commercial Secretary (Agricultural) | | |
| United Kingdom | G. H. Rochester, Commercial Secretary (Timber) | | *Cable:* Timcom |
| United Kingdom<br>(Midlands, North England, Wales) | M. J. Vechsler, Canadian Government Trade Commissioner | Martins Bank Building,<br>Water Street,<br>Liverpool | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* Central 0625 |
| United Kingdom<br>(Northern Ireland) | T. G. Major, Canadian Government Trade Commissioner | 36 Victoria Square,<br>Belfast | *Mail:* (City Address)<br>*Tel.:* 21867 |
| **United States**<br>Delaware, Maryland, Virginia, West Virginia | R. G. C. Smith, Commercial Counsellor<br>E. H. Maguire, Commercial Secretary | Canadian Embassy,<br>1746 Massachusetts Ave., N.W.<br>Washington, 6. D.C. | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* DEcatur 2-1011 |
| United States | Dr. W. C. Hopper, Agricultural Counsellor<br>W. L. Porteous, Assistant Agricultural Secretary | | |

| Territory | Officer | City Address | Mail and Cables, Office Telephone |
|---|---|---|---|
| United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda, Liberia | S. V. Allen, Consul and Senior Trade Commissioner<br>C. R. Gallow, Consul and Trade Commissioner<br>C. E. Butterworth, Vice Consul and Assistant Trade Commissioner | Canadian Consulate General,<br>620 Fifth Ave.,<br>New York City 20 | *Mail:* (City Address)<br>*Cable:* Cantracom<br>*Tel.:* JUdson 6-2400 |
| United States | M. B. Bursey, Consul and Trade Commissioner (Fisheries) | Canadian Consulate General,<br>620 Fifth Ave.,<br>New York 20, N.Y. | *Mail:* (City Address)<br>*Cable:* Cantracom<br>*Tel:* JUdson 6-2400 |
| United States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire) | D. H. Cheney, Vice Consul and Trade Commissioner | Canadian Consulate General,<br>532 Little Building,<br>80 Boylston Street,<br>Boston 16 | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* HAncock 6-4320 |
| United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri) | R. V. N. Gordon, Vice Consul and Trade Commissioner | Canadian Consulate General,<br>Chicago Daily News Bldg.,<br>400 West Madison Street,<br>Chicago 6 | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* STate 2-7312 |
| United States (Michigan, Ohio) | Consul and Trade Commissioner<br>J. H. Bailey, Vice Consul and Assistant Trade Commissioner | Canadian Consulate,<br>1035 Penobscot Building,<br>Detroit 26 | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* WOodward 5-2811 |
| *United States (City of Los Angeles, Southern California, Arizona) | Consul General | Canadian Consulate General,<br>510 West Sixth Street,<br>Los Angeles 14 | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* VAndike 2233 |
| United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida) | G. A. Newman, Consul and Trade Commissioner<br>C.O.R. Rousseau, Vice Consul and Assistant Trade Commissioner | Canadian Consulate,<br>215-217 International Trade Mart,<br>New Orleans 12 | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* RAymond 2136 |
| *United States (Northern California. Wyoming, Nevada, Utah, Colorado, New Mexico), Hawaii | Consul General | Canadian Consulate General,<br>3rd Floor, Kohl Building,<br>400 Montgomery Street,<br>San Francisco 4 | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* SUtter 1-3039 |
| *United States (Oregon, Idaho, Washington, Montana), Alaska | Consul General | Canadian Consulate General,<br>The Tower Building<br>Seventh Avenue at Olive Way,<br>Seattle 1, Washington | *Mail:* (City Address)<br>*Cable:* Canadian<br>*Tel.:* MUtual 3515 |
| **Uruguay**<br>Paraguay | W. Gibson-Smith, Commercial Secretary | Canadian Embassy,<br>Montevideo | *Mail:* Casilla Postal 852<br>*Cable:* Canadian |
| **Venezuela**<br>Netherlands Antilles | J. A. Stiles, Commercial Secretary<br>F. B. Clark, Assistant Commercial Secretary | Canadian Embassy,<br>Edificio Pan American,<br>Puente Urapal,<br>Caracas | *Mail:* Apartado 3306<br>*Cable:* Canadian<br>*Tel.:* 55818 |
| Venezuela<br>Colombia | D. B. Laughton, Acting Agricultural Secretary | | |

*The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.*

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·01458.

# foreign exchange rates

| **Country** | **Unit** | **Type of Exchange** | **Canadian dollar equiv. May 14** | **Notes (See below)** |
|---|---|---|---|---|
| Argentina | Peso | Preferential buying | ·1314 | |
| | | Basic buying | ·1971 | |
| | | Preferential selling | ·1971 | (1) |
| | | Basic selling | ·1314 | |
| | | Free | ·07095 | |
| Austria | Schilling | | ·03791 | |
| Australia | Pound | | 2·2230 | |
| Belgium Luxembourg & Belgian Dependencies | Franc | | ·01962 | |
| Bolivia | Boliviano | Official | ·00519 | |
| British West Indies | Dollar | | ·5789 | (3) |
| | Pound | | 2·7788 | (4) |
| | Dollar | Brit. Honduras | ·6947 | |
| Brazil | Cruzeiro | Official selling | ·05237 | tax 8% |
| | | Effective buying | ·03475 | (2) |
| | | Coffee buying | ·04219 | (5) |
| Burma | Kyat | | ·2070 | |
| Ceylon | Rupee | | ·2084 | |
| Chile | Peso | Official | ·00896 | (1) |
| Colombia | Peso | Basic | ·3943 | |
| Costa Rica | Colon | Official | ·1755 | (6) |
| | | Controlled free | ·1484 | |
| Cuba | Peso | | ·9856 | tax 2% |
| Czechoslovakia | Koruna | | ·1369 | |
| Denmark | Krone | | ·1427 | |
| Dominican Republic | Peso | | ·9856 | |
| Ecuador | Sucre | Official | ·06571 | |
| | | Free | ·05697 | |
| Egypt | Pound | | 2·8303 | |
| Fiji | Pound | | 2·5034 | |
| Finland | Markka | | ·00428 | |
| France | Franc | | ·00282 | (7) |
| French Africa | Franc | | ·00564 | (8) |
| French Pacific | Franc | | ·01550 | (9) |
| Germany | D Mark | | ·2347 | |
| Greece | Drachma | | ·03285 | |
| Guatemala | Quetzal | | ·9856 | |
| Haiti | Gourde | | ·1971 | |
| Honduras | Lempira | | ·4928 | |
| Hong Kong | Dollar | Free | ·1711 | *April 30 |
| Iceland | Krona | Official | ·06052 | |
| | | Special buying | ·04660 | |
| | | Special selling | ·03755 | |
| India | Rupee | | ·2084 | |
| Indonesia | Rupiah | Basic | ·08646 | (10) |
| Iran | Rial | Certificate | ·01092 | |
| Iraq | Dinar | | 2·7598 | |

---

* Latest available quotation date.

| Country | Unit | Type of Exchange | Canadian dollar equiv. May 14 | (See below) Notes |
|---|---|---|---|---|
| Ireland | Pound | | 2·7788 | |
| Israel | Pound | Effective basic | ·9856 | |
| | | Premium | ·5476 | |
| Italy | Lira | | ·00158 | |
| Japan | Yen | | ·00274 | |
| Lebanon | Pound | Free | ·3085 | |
| Mexico | Peso | | ·07885 | |
| Netherlands | Guilder | | ·2604 | |
| Netherlands Antilles | Guilder | | ·5226 | |
| New Zealand | Pound | | 2·7788 | |
| Nicaragua | Cordoba | Effective buying | ·1493 | (11) |
| | | Official selling | ·1398 | |
| | | With Surcharge I | ·1224 | |
| | | With Surcharge II | ·09807 | |
| Norway | Krone | | ·1380 | |
| Pakistan | Rupee | | ·2979 | |
| Panama | Balboa | | ·9856 | |
| Paraguay | Guarani | Basic | ·06571 | (1) |
| | | With Surcharge I | ·04693 | |
| | | With Surcharge II | ·03285 | (12) |
| Peru | Sol | Certificate | ·05102 | |
| Philippines | Peso | | ·4928 | tax 17% (2) |
| Portugal | Escudo | | ·03440 | (13) |
| El Salvador | Colon | | ·3943 | |
| Singapore & Malaya | Straits dollar | | ·3242 | |
| South Africa (Union of) | Pound | | 2·7788 | |
| Spain & Dependencies | Peseta | Basic buying | ·04501 | |
| | | Basic selling | ·08784 | |
| | | Basic commercial selling | ·06001 | (1) |
| | | Free | ·02530 | |
| Sweden | Krona | | ·1905 | |
| Switzerland | Franc | | ·2300 | |
| Syria | Pound | Free | ·2739 | *April 9 |
| Thailand | Baht | Official | ·07885 | (1) |
| | | Free | ·04517 | *March 5 |
| Turkey | Lira | | ·3520 | |
| United Kingdom | Pound | | 2·7788 | |
| United States | Dollar | | ·9856 | |
| Uruguay | Peso | Official | ·6489 | |
| | | Basic buying | ·5537 | |
| | | Special buying | ·4194 | (1) |
| | | Basic selling | ·5187 | |
| | | Special selling | ·4023 | |
| Venezuela | Bolivar | | ·2942 | (14) |
| Yugoslavia | Dinar | | ·00328 | |

* Latest available quotation date.

# notes

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only; certain essential imports exempt.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Brazil: Effective import rate is official rate plus free certificate rate. Certificate rate varies according to commodity.
6. Costa Rica: Official rate applies to all Costa Rican exports.
7. Metropolitan France, Algeria, Tunisia, Morocco, French Guiana, Guadeloupe, Martinique.
8. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
9. New Caledonia, New Hebrides, Oceania.
10. Indonesia: Basic rate applies to all exports and essential imports. Rupiah value for other than essential imports is reduced by 33⅓ per cent, 100 per cent or 200 per cent depending on product.
11. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
12. Paraguay: Basic rate applies to most Paraguayan exports.
13. Approximately same rate for currencies of Portuguese Territories in Africa.
14. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

# General notes

### Australia

SNOWY MOUNTAINS CONTRACTS AWARDED—Several contracts have been let during the past month for work on the Snowy Mountains scheme. The largest contract, worth £25 million, went to the American Kaiser group for the 14-mile Adaminaby-Tumut tunnel, the Tumut Pond dam and the T.I. pressure dam. A tender worth £3,895,000 has been awarded to a group of French contractors, and contracts worth £1 million have been awarded to a British and a Swedish company. Several Canadian companies tendered for the supply of generators and turbines for these projects but none was successful. Further tenders are not expected to be called in the near future—Sydney, May 1.

### Brazil

TRACTOR PRODUCTION—Tratores Continental S.A., a subsidiary of the French Etablissements Richard Frères of Lyon, are organizing a Brazilian company, Intramag S.A., with an initial capital of Cr.$50 million to manufacture "Continental" tractors in São Paulo. These tractors have been on the Brazilian market for eight years—São Paulo, May 7.

### Peru

TARGET FOR TRADE MISSIONS—Since the New Year, Peru has been visited by a number of economic and trade missions interested in increasing trade with this free economy country which has no import or currency controls or restrictions.

The United States sent two groups: the first, 34 financiers whose visit was privately sponsored; the second, a ten-man government advisory body, designated as the Foreign Agriculture Trade Mission which is exploring the immediate possibilities of expanding U.S. agricultural trade with Peru and other South American countries. France sent a ten-man Economic Mission composed principally of businessmen, and Belgium a Commercial Mission consisting of 16 prominent representatives of finance, commerce and industry.

Probably the most powerful group was the five-man West German Government team headed by Minister of Economy Dr. Ludwig Ehrhard. As well as aiming at the stimulation of trade, they also negotiated, successfully, for the restoration to the original owners of certain German assets which have been held by the Peruvian Government since World War II.

The object of all these missions was to increase thei sales and services to Peru, as well as the other Lati American countries they visited. Undoubtedly they have assisted their countries' export trade—Lima May 4.

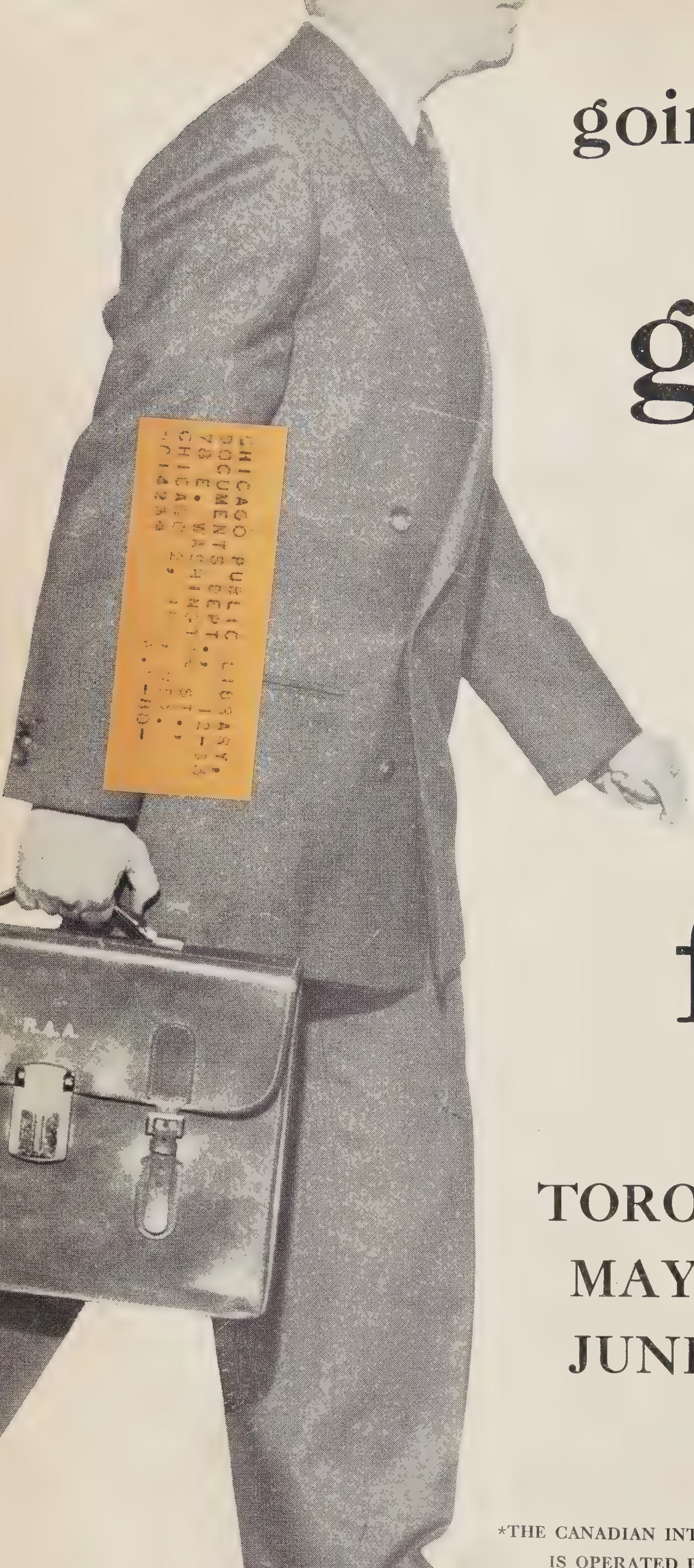
### United Kingdom

GOLD AND DOLLAR RESERVES—The Unite Kingdom Treasury has announced that the sterling area's gold and dollar reserves increased by $13 million during April; at the end of the month the reserves stood at $2,820 million or £1,007 million This is the highest monthly increase since the Treasury began to issue monthly figures nearly tw years ago. It is evident that some of the Apri surplus has been accounted for by ordinary commercial transactions. The Treasury, however, indicate that the recent relaxations on the use of sterling i international payments have been an importan factor in the April reserve increase. These relaxations have created a genuine need for overseas holders of sterling to increase their working balances i London—London, May 11.

PRIVATE IMPORTS OF BUTTER AND CHEESE—With the derationing of butter and cheddar chees on May 8, 1954, private imports of these foods wi be resumed on May 9th. They will be admitted unde Open General Licence from certain countries, no including Canada. Arrangements for imports o cheese from dollar sources will be announced late Before the war, Britain imported a total of 475· thousand long tons of butter. Between 1950 an 1952, imports fell from 335·2 to 259·2 thousand lon tons, but 1953 shipments showed a slight improvement to 281·9 thousand. Home production of butte was only 10·3 thousand long tons in 1953, compare with 21 thousand in 1939.

Imports of cheddar in 1953 were 115·5 thousan long tons, compared with 129·8 before the war, bu home production was more than double prewar a 87·9 thousand long tons.

Since the beginning of the war, the Ministry c Food has bulk purchased butter and cheese; the mai overseas suppliers of butter last year were Ne Zealand, Australia, Denmark and Holland, and c cheddar cheese were New Zealand, Australia an Canada—London, May 12.



CHICAGO PUBLIC LIBRARY
DOCUMENTS DEPT. 12-33
78 E. WASHINGTON ST.
CHICAGO 2, ILL.

going places . .

going

to the

trade

fair*

TORONTO
MAY 31-
JUNE 11

*THE CANADIAN INTERNATIONAL TRADE FAIR
IS OPERATED BY THE GOVERNMENT OF CANADA

JUNE 12, 1954

# foreign trade

NADA

**FAR EASTERN MARKETS for CANADIAN GRAIN and FLOU**

2 Markets in the Far East for Canadian Grain and Flour:
- 3 Japan
- 7 Hong Kong
- 9 Philippines
- 11 Singapore-Malaya
- 12 Indonesia
- 13 Ceylon
- 15 Pakistan
- 16 India

18 General Notes
20 Trade Commissioners on Tour
21 Korean Procurement and Canadian Business
23 Davis Leather Exports Calf
24 Mexico's Iron and Steel Industry
25 Financial Incentives for German Exporters
28 Commodity Notes
30 Dairy Cattle for Northeastern States
32 Trade and Tariff Regulations
34 Foreign Exchange Rates
36 Businessman's Bookshelf

CANADA

# foreign trade

Established in 1904

Published fortnightly by the Department of Trade and Commerce.
The Right Honourable C. D. HOWE, Minister,
WM. FREDERICK BULL, Deputy Minister.

**OTTAWA, JUNE 12, 1954, Vol. 101, No. 10**

Please forward all subscriptions and orders to:
The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad.
Single copies: 20 cents each.

Material Appearing in this magazine may be freely reprinted, preferably giving credit to "Foreign Trade"

**cover** This photograph shows combines at work threshing wheat on a large Saskatchewan farm. Some of this, in the form of either grain or flour, will find its way to markets in South East Asia and the Far East. Last winter a Canadian Grain and Flour Mission visited this area and we present in this issue a 17-page extract from its report to the Minister of Trade and Commerce.

—NFB photo

# Markets in the Far East for . . .

*Late last fall, the Minister of Trade and Commerce announced to the House of Commons that, early in 1954, Canada would dispatch a Grain and Flour Mission on a tour of eight countries in the Far East and South East Asia, to study markets for Canadian grain and flour in that area. During January and February the three members of the Mission—William Riddel, Commissioner of the Canadian Wheat Board, G. N. Vogel, Chief of the Grain Division of the Department of Trade and Commerce, and Dr. J. A. Anderson, Chief Chemist of the Board of Grain Commissioners—carried out this assignment and returned to report their findings to the Minister. This report has now been completed and the following pages contain extracts from it. These extracts are presented in the hope that they will assist exporters of grain and flour to expand their sales.*

*THE Canadian Grain and Flour Mission to the Far East left Vancouver on January 6, 1954, and visited the following places: Japan, January 8th to 17th; Hong Kong, January 18th to 21st; Philippines, January 21st to 26th; Singapore-Malaya, January 27th to 29th; Indonesia, January 29th to February 1st; Ceylon, February 2nd to February 6th; Pakistan, February 6th to February 10th; India, February 10th to February 20th.*

*Advance arrangements for the visits were made by the Trade Commissioners or other Canadian Government representatives in the areas. The Mission was therefore able to accomplish more in a short time than would have been possible without their valuable assistance.*

*The purposes of the Mission were:*

- *To promote goodwill between Canada and the various countries.*
- *To make personal contacts with government officials, importers, flour millers, processors and bakers.*
- *To discuss mutual problems.*
- *To give information on the handling, grading and sale of Canadian grain and on its qualities in relation to other grain or flour.*
- *To study the markets and to encourage their retention and expansion.*

*Of the countries visited, Japan, Pakistan and India have been markets for Canadian grain; the others have been importers of Canadian wheat flour. Japan is the most important market for wheat and also takes large quantities of Canadian barley. India and Pakistan were good markets for Canadian wheat in previous seasons but because of their own favourable production, they have not had to import any during the present crop year. The Philippines continues to be the largest market for Canadian flour in the Far East.*

*Through interviews, discussion and observation, the Mission collected a great deal of information which has been recorded in detailed notes. This record, and the personal contacts established, should be useful in developing and expanding markets for Canadian grain and flour in the countries visited. The present report summarizes only the Mission's main findings.*

# Canadian Grain and Flour

## *Japan*—*Canadian wheat and barley may well be required in growing volume.*

POSTWAR JAPAN, in area only about 54 per cent of the prewar Japanese Empire, is composed of four principal islands and about 1,000 small ones. The total land area of 146,190 square miles is about three-ifths the size of Saskatchewan.

n 1939 Japan's population was 73 million and it has since increased to an estimated 85 million. It is believed to be growing by 1·0 to 1·5 million a year and may well reach 95 million by 1960. Belgium has the world's densest population per square mile of land area, but Japan has the densest population (3,534 people) per square mile of cultivated land. It is also worth noting that Tokyo proper has a population of seven million, with an additional five million in the adjoining urban areas.

### Agricultural Production

The mountainous terrain limits the cultivated area of Japan to about 14 per cent of the total land. About 5 million acres are used for agriculture and of this approximately 12 million acres are under cultivation. Rice acreage represents approximately 39 per cent of he total, barley 13 per cent, and wheat 10 per cent. Vegetables, fruits and forage crops make up the remainder. The following statistics show Japanese production of rice, barley and wheat.

**Japanese Grain Production**

(1,000 metric tons)

| ear | Rice | Wheat | Barley |
|---|---|---|---|
| 934-38 | 11,501 | 1,288 | 1,556 |
| 951 | 11,302 | 1,490 | 2,169 |
| 952 | 12,404 | 1,537 | 2,878 |
| 953 | 10,298* | 1,374 | 2,095 |

---

ource: FAO.

1953 rice crop was unusually small because of flood condi-ons.

Despite the population increase of 12 million since 939, average rice and wheat production during the ast three years have barely exceeded the 1934-38 levels and only barley has increased appreciably. nability to increase production lies in the fact that he land available for cultivation is already being used lmost to the maximum, with two and sometimes three crops a year taken off the same piece of land. Thus, when the acreages planted to all crops are combined, they represent 155 per cent of the total cultivated area. A short drive through rural Japan made it very obvious that virtually every square foot of soil was being used. The ditches and road allowances beside the main highways, for example, were often seeded to crops. In other countries visited, we often heard references to the excellence and intensity of Japanese rice cultivation and Japanese experts are being sought to advise on methods of improving rice production.

### Imports of Wheat and Barley

It is in the light of the fact that agricultural production has not been able to keep pace with the increase in population that Japan's ever-increasing imports of wheat and barley must be considered. The table on page 4 shows the situation.

Officials of the Japanese Food Agency indicated to the Mission that the normal annual Japanese import requirements at the present time are as follows: wheat, 1·5 million to 1·6 million tons; barley, 0·7 million to 0·8 million tons; rice, 0·9 million to 1·0 million tons. The Agency estimates the present consumption of wheat flour at 1·7 million tons, processed barley at 0·9 million tons, and polished rice at 5·0 million tons. Consumption figures do not include grains retained by farmers for their own use. It will be noted that consumption of wheat and barley now equals one-half of the Japanese rice consumption.

### Milling and Baking Industries

At present there are about 1,300 mills in operation in Japan with a total capacity of about 210 thousand barrels a day. Additional small mills can be brought into operation to give a total capacity of at least 270 thousand barrels (almost triple the Canadian capacity). Large mills—ranging from about 1,000 barrels to 7,500 barrels—represent 20 to 30 per cent of the total capacity.

The two large mills visited by the Mission are estimated to be over thirty years old and are equipped with German, American and Japanese machinery. The housing, machinery, storage facilities, etc., of these two large mills are considered about equal to the average large Canadian mill. Both mills had good control laboratories with adequate equipment and staff.

## Wheat, Barley, Rice Imports by Japan

(1,000 metric tons)

| | 1934-38 | 1947-48* | 1948-49* | 1949-50 | 1950-51 | 1951-52 | 1952-53 |
|---|---|---|---|---|---|---|---|
| (*a*) WHEAT | | | | | | | |
| Argentina | 13·5 | ........ | ........ | 176·0 | 63·0 | ........ | ........ |
| Australia | 176·1 | ........ | 50·8 | 187·4 | 76·1 | ........ | 68·3 |
| Canada | 66·5 | ........ | ........ | 112·8 | 284·1 | 464·7 | 337·0** |
| United States | 24·9 | 934·8 | 1,301·6 | 1,577·0 | 1,127·3 | 1,237·7 | 675·7 |
| Others | ........ | ........ | ........ | 23·7 | 101·6 | ........ | ........ |
| Total Imports | 281·0 | 934·8 | 1,352·4 | 2,076·9 | 1,652·1 | 1,702·4 | 1,081·0 |
| (*b*) BARLEY | | | | | | | |
| Argentina | ........ | ........ | ........ | 26·2 | 5·4 | ........ | ........ |
| Australia | 3·4 | ........ | 0·2 | 202·2 | 84·6 | 104·6 | 202·5 |
| United States | ........ | 188·5 | 329·3 | 209·3 | 520·6 | 168·4 | 307·6 |
| Canada | ........ | ........ | ........ | ........ | 26·1 | 294·7 | 456·8 |
| Others | ........ | ........ | ........ | ........ | ........ | ........ | 62·0 |
| Total Imports | 3·4 | 188·5 | 329·5 | 437·7 | 636·7 | 567·7 | 1,028·9 |

| (c) RICE | 1934-38 | 1947 | 1948 | 1949 | 1950 | 1951 | 1952 | 1953 (11 mos.) |
|---|---|---|---|---|---|---|---|---|
| Total Imports (from all countries) | 1,757 | 3 | 56 | 136 | 595 | 784 | 856 | 805 |

---

Source: FAO.
* Includes Korea.
** Less than normal because of Vancouver strike.
Wheat Board sales to Japan 1952-53 totalled 758 thousand tons.

The Mission also paid a visit to the main laboratory of one milling company which is very well equipped and has a staff of twelve, of whom eight are university graduates. Its work is divided about equally between co-ordination of control laboratories and research. The Japanese Government, through the Central Research Institute of the Food Agency, is also actively engaged in cereal research.

One small mill with a capacity of 300 barrels was visited in Tokyo and appeared to be making good flour. It was reported to be representative of the many small mills in Japan.

The Japanese millers are well acquainted with the quality of Canadian wheat and with its baking strength. Before the war, Japan bought mainly No. 1 and No. 2 Northern and the millers prefer to use high grades. The Mission is of the opinion that Japan must be considered a quality wheat market of the same discriminating class as the United Kingdom.

Most of the baking in Japan is done in small bakeries using 200 to 750 lb. of flour a day. For example, there are 1,200 bakeries of this type in Tokyo alone and we visited one typical small bakery in Tokyo. All work except mixing was done by hand; both mixer and oven were electrical.

There are about ten larger bakeries in Tokyo, two of which we visited. These had capacities of 1,750 and 5,000 lb. of flour per day. Both had mechanical mixers, rounders, and dividers, and electrically heated ovens; one had an overhead travelling proof. The range and quality of the bread, biscuits and cake of all kinds produced in Japanese bakeries appeared excellent and superior to baked goods in other places visited in the Far East.

The fact that there are 1,200 small bakeries in Tokyo and no really large ones leads the Mission to believe that centralization of the industry is inevitable. Small bakeries will give place to larger and more mechanized units. Such a development should help to improve the relative position of Canadian wheat in the Japanese market.

### Grain Inspection and Storage

Grading, weighing and analysis of grain is carried out by the Inspection Section of the Food Agency of the Ministry of Agriculture and Forestry. The Section has over 20,000 inspectors and is responsible for the weighing and grading of domestic grain in each village. Imported grain is also inspected and mimeographed Japanese translations of Canadian and American grade specifications are being used. Records are kept of inspection and analysis for all cargoes. These were listed by grades and showed unload port, date, vessel, weight in tons, bushel weight, moisture content, dust, foreign materials, other grains, broken kernels, percentage of hard vitreous kernels, wheat of other classes, ash content, yield of flour, and protein content and acidity for some cargoes. Canadian grain is re-inspected in Japan to see that it conforms with the Canadian grade specification and the Chief Inspector stated that he considered Canadian grain to be well graded.

Except at some of the very large mills where elevators for bulk storage are available, all grain is transported and stored in sacks throughout Japan. A visit was paid to a large storage depot in Tokyo operated by the Food Agency and consisting of 70 one-storey concrete buildings, each holding 700 tons. Management of this depot, including provisions for rodent and insect control, was considered excellent.

### Prospects for Sale of Canadian Wheat

Like the people of other Far Eastern countries, the Japanese have been mainly a rice-eating people. It is true that they consumed, largely in the form of noodles, their own production of wheat in addition to some imported wheat and flour. In recent years, however, and particularly since the end of the war, there has been a decided swing from rice to wheat products. Japanese consumption of wheat flour in 1953 was very substantially greater than in 1952. The increase was due in large measure to a continuing change in public taste, particularly on the part of the younger generation. It is believed that this trend will continue, provided economic conditions can be maintained and foreign exchange is available for the import of wheat. At the present time, about 50 per cent of the wheat flour is used for bread, 40 per cent for noodles, and about 10 per cent for cakes, pastries, biscuits and crackers.

There have been several reasons for the increase in flour consumption:

- Rice remains in short supply and is expensive, partly because domestic production has not increased appreciably since before the war and partly because of the cost of imported supplies.

- Bread is a cheap, convenient form of foodstuff, requiring no cooking. This is an advantage in a country lacking fuel and with only limited cooking facilities in most homes.

- Bread or rolls are a convenient form of food to take along for the noon-day meal at work.

- The younger generation has acquired a taste for bread, largely through the institution of school lunch programs which provide two slices of bread daily for each child.

- The encouragement of bread consumption is an active policy of the Japanese Government because imported wheat costs less than imported rice and because bread provides more protein than a straight rice diet does.

With a large flour-milling capacity and the opening of more modern bakeries, it is believed that the demand for bread products will increase. Because Japan's agricultural land is limited and already intensively cultivated, the ever-increasing population must become more and more dependent upon imported foods. In our opinion, Japan might readily achieve the position of Canada's second largest market for wheat. The recent trade agreement between Canada and Japan is therefore of major importance and increased purchases of Japanese goods will be a major step in holding and expanding our markets for wheat in that country.

A rapidly increasing population and a change-over in public taste from rice to wheat add up to a growing demand for wheat in general. In all the mills and bakeries which the Mission visited, we found a strong preference for Canadian wheat, in particular for bread-making. In some cases Canadian wheat is mixed with softer wheats but we were led to believe that this is only because Canadian wheat is not being imported in sufficient quantities to fill the demand. Beyond any doubt, the preference of the quality-conscious milling industry would be to use 100 per cent Canadian wheat for bread-making.

The 40 per cent of the total wheat requirement which is used for noodles is largely filled by Japanese domestic wheat and United States soft wheat. Price, rather than quality, is the main factor governing selection of wheat for noodle flour. In at least one large mill, however, the Mission was told that in the last year or so, a percentage of Canadian wheat has been added to the noodle mix with good results. It is not unreasonable

*Photographed outside one of the large pressed barley mills in Japan are two members of the Mission—Wm. Riddel, Commissioner of the Canadian Wheat Board (left), and G. N. Vogel, Chief of the Grain Division, Department of Trade and Commerce (right). In the centre, R. Yoshimura of the Commercial Counsellor's office in Tokyo.*

to expect that Canadian wheat will eventually also fill a portion of the noodle requirement.

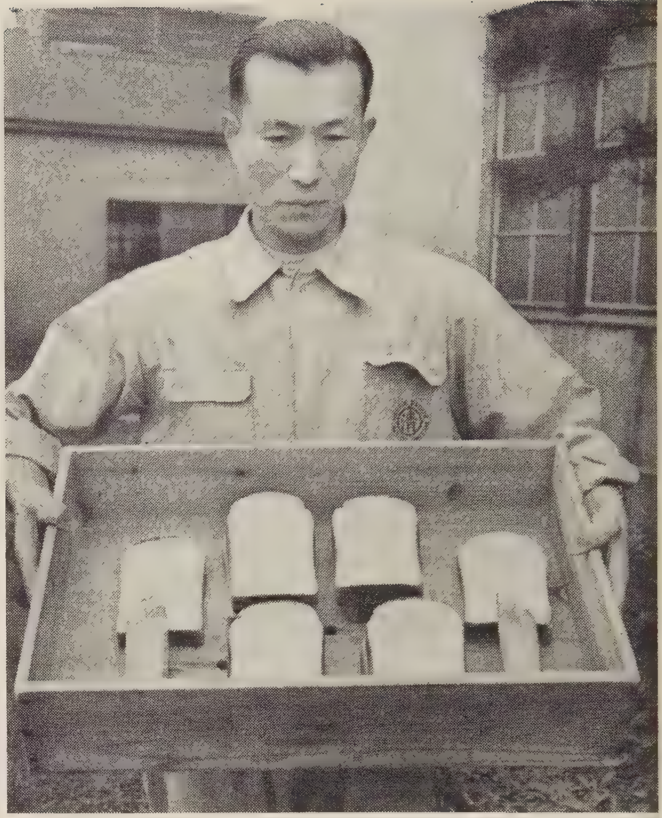
### Prospects for Canadian Barley

The import statistics cited earlier in this report show that Japanese imports of barley have increased in a startling way in recent years. In the prewar years, not a single bushel of Canadian barley was exported to Japan and now that country is one of our most important barley customers. The sole reason for this significant change is the increased consumption of the product known as "rolled and pressed barley". Through a process developed by the Japanese many years ago, barley is pearled, steamed, and pressed to shorten the cooking period. In normal use the barley is mixed with rice and cooked as a mixture. The Japanese population appears to like the product because it bears a fair resemblance to rice and because the mixture is cheaper and more nutritious than rice alone. In prewar Japan, the domestic supply of barley was sufficient to fill the demand of the industry. Since the war, partly because of the shortage of rice and partly because of the increased population, domestic supplies have been insufficient and large supplies of barley have been imported. The Mission was told that the production of pressed barley in Japan in 1953 was 30 per cent greater than in 1952. There are over 1,070 plants in Japan licensed to make the product. This new market for Canadian barley has been of the greatest significance and requires the closest attention.

In the earlier period of purchasing, the Japanese Food Agency expressed a strong preference for Canadian two-row barleys, which are white in colour and resemble rice more closely than the blue Canadian six-row varieties. Recently, however, the Japanese preference changed and substantial quantities of six-row barley were bought—some even purchased from St. Lawrence ports. In Japan the Mission learned that the reason for the change in preference was that the Japanese discovered that the bluish colour of Canadian six-row barley disappears during processing. With that difficulty removed, the processors now prefer the six-row varieties, since the Canadian two-row varieties have been found to crack and break during pressing, resulting in a lower yield of the finished product.

Because sufficient supplies of six-row barley have not been available in Alberta, it has been necessary for the Canadian Wheat Board to offer, and the Japanese Food Agency to buy, No. 1 Feed Barley. This has caused some difficulties, of which the following are the most important:

- Because the barley is to be used for human food, the Food Agency and the processors feel that No. 1 Feed Barley is not cleaned sufficiently. The Mission was asked whether it would not be possible for No. 1 Feed Barley to "be specially improved so as not to contain oats and grass seeds more than those in No. 4 C.W. Six-row".



*Displayed here are various samples of the bread made in the control laboratory of the Tsurumi mill of the Nissin Flour Milling Company Limited in Japan. The expert eye will see immediately the good quality of the bread.*

- No. 1 Feed Barley contains both six-row and two-row varieties that differ in kernel size and thus cause a processing problem. The Mission was asked whether it would not be possible to establish new grades consisting entirely of six-row or of two-row varieties.
- No. 1 Feed Barley sometimes contains a number of kernels which turn red during the manufacturing process and lower the quality of the finished product. The opinion was expressed that it is the kernels of heated barley which change colour, and this has since been confirmed by the Grain Research Laboratory.
- The name No. 1 Feed Barley also raises psychological difficulties when the barley is used for human food. It was contended that the grade-name "No. 1 Feed" implied that the barley is of a type and quality for use as animal feed rather than for human consumption. It was suggested that the name should be "No. 1 Food Barley". There seems to be good reason for considering a revision of the grade name.

In the present crop year Japan will probably be the second largest purchaser of Canadian wheat, and the second largest purchaser of Canadian barley. In the opinion of the Mission it is likely that Japan will maintain that position and, in fact, continue to grow in importance as a market for Canadian wheat and barley. The following factors are of greatest relevancy:

### Wheat

(1) There has been a substantial increase in flour consumption in Japan. This increase is due to a changeover in public taste from rice to wheat products.

(2) This changeover is primarily centered in the younger generation and will therefore tend to gain momentum as time goes on.

(3) The Japanese population is increasing rapidly—1·0 million to 1·5 million per year—with no comparable increase in grain production.

(4) The Japanese milling industry, the baking industry and the Japanese consumers are extremely quality-conscious. The advantages of Canadian wheat for bread-making are well known.

(5) Up to the present time, Canadian wheat has been used almost exclusively to provide the bread-flour requirements which constitute 50 per cent of the Japanese flour market. It also appears possible that Canadian wheat might make some inroads into the 40 per cent of the market which is devoted to the manufacture of noodles.

### Barley

It is believed that Japanese requirements for Canadian barley will continue to be substantial. To the extent that wheat consumption replaces rice consumption, the demand for barley could decline, because the barley is used mainly as an additive to rice. However, the continuing pressure of the ever-increasing population may well mean that both wheat and barley will be required in growing volume.

The Mission recommends that the Board of Grain Commissioners examine closely the position with respect to No. 1 Feed Barley, considering particularly the various factors mentioned in this report.

---

## *Hong Kong*—*quality market in which Canadian wheat and flour compete strongly.*

THE COLONY OF HONG KONG covers an area of 390 square miles and comprises Hong Kong Island itself (32 square miles), the city of Kowloon on the southern tip of the mainland peninsula (three square miles), the so-called New Territories, and numerous islands.

No recent census has been made but the population is officially estimated at 2·25 million. Many refugees have crossed from the mainland in recent years and they have created a housing problem. In one sector of the city there are estimated to be 1,200 people to the acre.

### Market for Canadian Wheat

Until recently, Hong Kong was solely a flour market. At the time of the Mission's visit, a mill capable of supplying the colony's flour requirements was being built there by Mr. L. F. David Sung, whose family has been in the milling business in China for many years. Four storeys of a six-storey concrete and brick building had been completed and it is expected that the mill will be in operation early this summer. The most modern equipment with pneumatic handling of stocks was en route from Henry Simon Ltd., England. That company will supervise installation and early operation of the mill and will also find a miller. The mill is well located close to the wharf, so that pneumatic unloading can be provided. The building seems well suited to house a mill but arrangements for bulk storage of wheat seem less satisfactory.

The success of this mill may well depend on the marketing of the offals. Disposal of these in Hong Kong will be contingent upon the success of an agricultural policy designed to build up hog and poultry production. In 1952 the colony imported 600 thousand hogs and 19,700,000 poultry.

The mill expects to use 60 to 70 per cent of Canadian wheat to make flour for bread and best-quality noodles. (A purchase of No. 1 Manitoba Northern has already been made to meet the mill's initial requirements.) Soft biscuit flour will be made from Australian wheat and some United States wheat will also be used. Since the production of this mill (3,000 tons per month) is greater than the Hong Kong consumption of flour (2,000 to 2,200 tons per month), it will provide competition for Canadian millers not only in Hong Kong but elsewhere in the Far East.

### Market for Canadian Flour

As noted above, the future market for Canadian flour or other imported flour in Hong Kong will depend on the outcome of Mr. Sung's milling operation.

*Baking operations are in full swing at the Garden Bakery Company in Hong Kong. The Colony makes excellent use of Canadian hard wheat flour for bread-making; imported nearly 35,000 metric tons in 1952-53.*

Australia to date has been Canada's main competitor, as the following statistics indicate:

### Total Flour Imports by Hong Kong

(1,000 metric tons)

| *Exporting Country* | 1934-38 | 1947-48 | 1948-49 | 1949-50 | 1950-51 | 1951-52 | 1952-53 |
|---|---|---|---|---|---|---|---|
| Australia | 58·3 | 33·6 | 12·3 | 41·0 | 20·6 | 11·3 | 15·4 |
| United States | 18·3 | ·7 | 7·3 | 20·1 | 3·4 | 7·0 | 11·9 |
| Canada | 16·7 | 4·5 | 22·4 | 45·7 | 33·0 | 36·1 | 34·8 |
| Others | ........ | ........ | ........ | ........ | ........ | ........ | 1·2 |
| | 93·3 | 38·8 | 42·0 | 106·8 | 57·0 | 54·4 | 63·3 |

Australian flour and Canadian flour are not entirely competitive with each other in Hong Kong because of the different uses to which they are put. About 65 per cent of the colony's requirements are for Canadian hard wheat flour, used mainly for bread-making. The remainder is soft wheat flour, mainly Australian, used largely for noodles, biscuits and pastries. The price relationship between Australian and Canadian flour is also a determining factor in establishing the percentages of each which will be used in different products. During the past year there has been a greater weakening in Australian flour prices than in Canadian. At the time of the visit, Australian flour was some 17 cents per 50 lb. cheaper than Canadian.

CHUN HING(H.
BAKERS & CONFE
TEL.:79321 79
興

*Two officials of a well-known Hong Kong bakery firm here display samples of the bread baked in their establishment. Hong Kong also imports Australian flour which is used largely in making noodles, biscuits and pastries.*

The Mission visited three bakeries, each with a capacity of between 100 and 300 sacks (50 lb. each) of flour per day. The largest and most modern had good mixers and ovens and a fermentation room cooled by refrigeration. Mechanical equipment had been ordered for dividing and moulding bread doughs and purchase of a new set of equipment for biscuit-making was planned. Bread was being made from Canadian flour only and this seems to be the general practice in Hong Kong, at least in the large bakeries. Hong Kong may thus be classed as a quality market in which Canadian flour offers strong competition in spite of its higher price.

It should be noted that flour imports into Hong Kong are much larger than the domestic consumption. The difference is due to the entrepôt trade carried on through Hong Kong to much of southeastern Asia.

### Future Prospects

Canadian wheat or flour should continue to find a good outlet in Hong Kong where the quality of each is widely recognized. The opening of the mill should be a strengthening factor for Canada. The mill will need Canadian wheat to meet the competition of Canadian flour; at the same time, importers will require Canadian flour to meet the competition from the mill. The price relationships between Australian and Canadian wheat and flour will continue to have important effects on the percentage of flour made from Canadian wheat which is actually used by the bakers. ●

## *Philippines*—*Remarkable postwar progress of Canadian flour may well continue.*

THE REPUBLIC OF THE PHILIPPINES covers an area of 115,600 square miles and consists of some 7,000 islands, 11 of which exceed 1,000 square miles each and account for about 94 per cent of the land area. In 1952 the population was estimated at 21 million.

### Market for Canadian Flour

Rice is still the principal staple food in the Philippines but bread has made substantial progress, particularly in the urban areas, and wheat flour is now the second most important food. Bread is now consumed throughout the country for breakfast; rice is still the main dish at other meals.

The Philippine market is quality-conscious and the consumers are particular about the appearance and taste of baked products. As a result, the percentage of Canadian flour used has been increasing materially, as indicated below.

**Philippine Imports of Wheat Flour**

*(in kilos)*

| *Year* | *Total Imports* | *From the U.S.* | *Per cent* | *From Canada* | *Per cent* | *From Australia* | *Per cent* |
|---|---|---|---|---|---|---|---|
| 1939 | 100,264,130 | 58,229,534 | 58·0 | 12,041,947 | 12·0 | 29,743,715 | 29·6 |
| 1940 | 102,085,055 | 75,536,087 | 73·9 | 10,366,768 | 10·1 | 16,155,792 | 16·0 |
| 1945 | 47,904,627 | 40,152,780 | 84·0 | 7,751,847 | 16·0 | nil | nil |
| 1946 | 127,877,992 | 91,320,937 | 71·4 | 36,540,056 | 28·6 | nil | nil |
| 1947 | 155,711,496 | 109,378,050 | 70·0 | 46,276,213 | 29·7 | 56,638 | 0·3 |
| 1948 | 165,429,102 | 147,374,449 | 89·3 | 17,359,368 | 10·3 | 658,485 | 0·4 |
| 1949 | 192,504,555 | 134,004,020 | 69·6 | 58,187,262 | 30·2 | 313,126 | 0·2 |
| 1950 | 176,556,013 | 86,561,331 | 49·0 | 87,694,362 | 49·6 | 2,273,334 | 1·3 |
| 1951 | 216,133,661 | 100,389,776 | 46·4 | 115,471,921 | 53·5 | 189,818 | 0·1 |
| 1952 | 195,974,301 | 84,730,304 | 43·2 | 109,743,153 | 55·9 | 1,491,772 | 0·7 |
| 1953 (11 months) | 147,853,017 | 66,614,491 | 45·1 | 81,204,493 | 54·2 | 34,023 | 0·7 |

Not only has the size of the flour market increased 47 per cent since 1939, but the Canadian share of the market has gone up from 12 to 54 per cent, mainly at the expense of the Australian share, which has dropped from 29·6 to less than 1 per cent. This change has occurred despite the fact that Canadian and Australian flour have been and continue to be under an equal tariff disadvantage compared with U.S. flour. The bread-making quality of Canadian flour outweighs that tariff disadvantage, but U.S. flour has displaced the softer Australian flour.

### Characteristics of Philippine Baking

The chief characteristics of baking in the Philippines are the widespread use of the dough-break and the baking of rolls called Pan de Sel. A dough-break is a pair of smooth rolls with adjustable spacing, hand or electrically operated, through which dough is sheeted. The dough may be passed through the rolls forty or more times after the main fermentation period. As a result, the dough becomes short and tight and produces bread of very close texture. But the process is hard on the dough and requires the use of a strong flour.

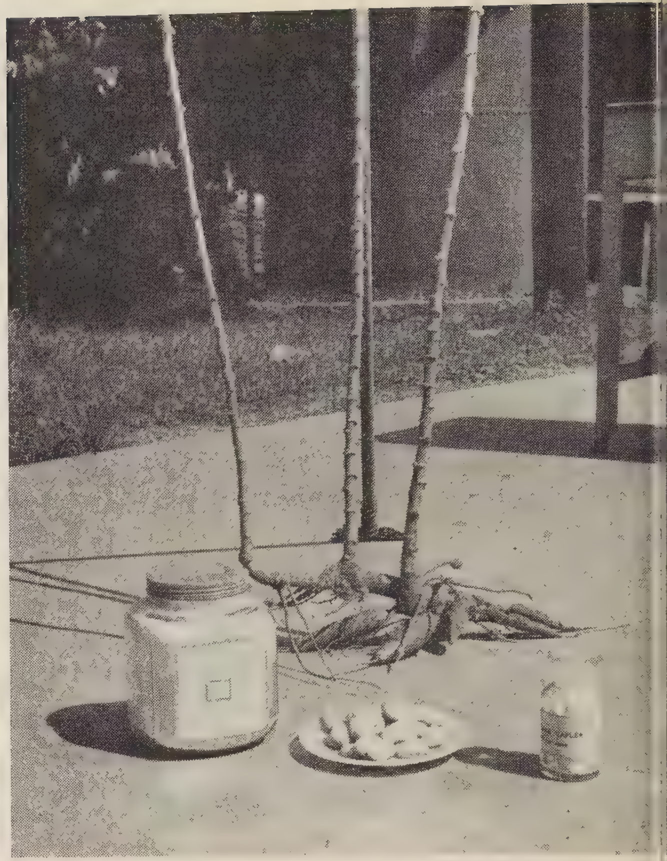
In the Philippines, bread is normally eaten in the form of small individual rolls known as Pan de Sel. These are popular partly because they fit the need of the consumer who does not want or cannot afford a whole loaf, and partly because purchase of fresh Pan de Sel can be limited to daily requirements—a decided advantage in a climate where bread does not keep well. Pan de Sel is thus the bread of the working classes. About 70 per cent of the flour is used for Pan de Sel and bread, 25 per cent for cakes and biscuits, and possibly 5 per cent for noodles and other uses.

The baking qualities of Canadian flour are well known in the Philippines. Indeed, because of the vigorous treatment given by the dough-break, Canadian flour is generally preferred both for Pan de Sel and all other forms of bread.

### Cassava Flour Used

The Philippine Government is now making an effort to replace some imported wheat flour with a local product called cassava flour. The cassava bush, which is native to the Philippines, takes eight to eleven months to produce tubers which may weigh as much as two pounds. Processing requires that the tubers be washed, peeled with drum peelers, and wet milled to a fine powder. It is usual to separate some pure starch (tapioca); the remaining product, called cassava flour, has a reduced starch content of about 60 to 70 per cent and an increased fibre content.

*The picture on the right shows the cassava bush, native to the Philippines, and the tubers which are produced. These tubers, which weigh as much as two pounds, are washed and peeled and then wet milled into the fine powder seen in the large jar at the left of the picture. From this powder some pure starch (tapioca) is separated; the remaining cassava flour still retains a starch content of about 60 to 70 per cent. A law in the Philippines now requires that a certain percentage of domestic cassava flour be mixed with imported wheat flour in the making of bakery products.*



### Law Prescribes Cassava Use

In June 1951, Act No. 657, Congress passed the Cassava Flour Law. It requires that wheat flour importers purchase, for sale to their customers, cassava flour in such proportions as may be prescribed but not exceeding 30 per cent. The Act has not yet been implemented but it seems probable that it will be amended and implemented in the near future. The intention is to require imported wheat flour to be mixed with domestic cassava flour, which is equivalent to diluting wheat flour with starch. The Act does not require that the prescribed percentages of cassava flour must be used in all baked products. For example, a baker might well use lower percentages in bread and higher percentages in cakes and cookies.

### Research on the Problem

Research on the cassava problem has been undertaken both at the Institute of Science and Technology and at the Bureau of Plant Production, both of which the Mission visited. Experiments have indicated that bread might carry 10 per cent of cassava flour, Pan de Sel possibly 15 to 20 per cent, biscuits about 30 per cent, cakes and certain types of cookies as much as 50 to 100 per cent. It has also been suggested that cassava flour might be employed as dusting flour, use of which is estimated at 2 to 3 per cent.

At the present time, the Philippine quota under the International Wheat Agreement provides for 625 thousand bags of wheat flour (50 lb. size) per month. Consumption requirement is probably close to 650 thousand bags and, in the beginning at least, it is intended to fill the gap with cassava flour.

### Effect on Canadian Sales

By the end of 1954 four factories are expected to be producing enough cassava flour to provide for a 5 to 7 per cent dilution of imported wheat flour. It will take several years to bring production up to the top figure of 30 per cent envisaged by the Cassava Act. Whether it will eventually prove feasible to use wheat flour and cassava flour in the proportion of seven to three remains to be seen. In any event, the comparative position of strong Canadian flour in the Philippine market is likely to be improved by this development, because a strong flour is required to carry any substantial percentage of cassava flour.

### Outlook

The Mission was impressed with the proportion of the Philippine market which Canadian mills now hold. The quality of Canadian flour is widely known and especially appreciated because of the strength requirements of the baking process. Canadian flour has made remarkable progress in the Philippines since the war and may well improve its position in spite of temporary complicating factors. ●

# *Singapore–Malaya*—*a price market for Canadian flour.*

BRITISH MALAYA comprises the colony of Singapore and the Federation of Malaya; its total area is approximately 50,000 square miles. At the time of the last census, the population was approximately six million, of which one million lived in Singapore itself.

## Market for Canadian Flour

The flour requirements of British Malaya total approximately 120 thousand tons a year. At the present time it is estimated that flour imports consist of 10 per cent Canadian and 90 per cent Australian flour. A higher percentage of Canadian flour is probably used in Singapore itself, where the more modern bakeries are located, than in "up country" Malaya. From 25 to 30 per cent of the flour in Singapore is used for bread, 35 to 40 per cent for biscuits, and 35 to 40 per cent for noodles. Canadian flour is used mainly for bread.

Some bakeries in Singapore are now using 25 per cent Canadian flour and 75 per cent Australian. It is claimed that a higher percentage of Canadian flour increases the water absorption which leads to earlier moulding of the bread. There is no doubt that mould is a much more serious problem in this hot, humid climate, especially for bakeries that ship large quantities of bread "up country," which means that it must keep for at least 48 hours. However, some bakeries serving Singapore are using a higher percentage of Canadian flour for bread.

## Mixing with Softer Flours

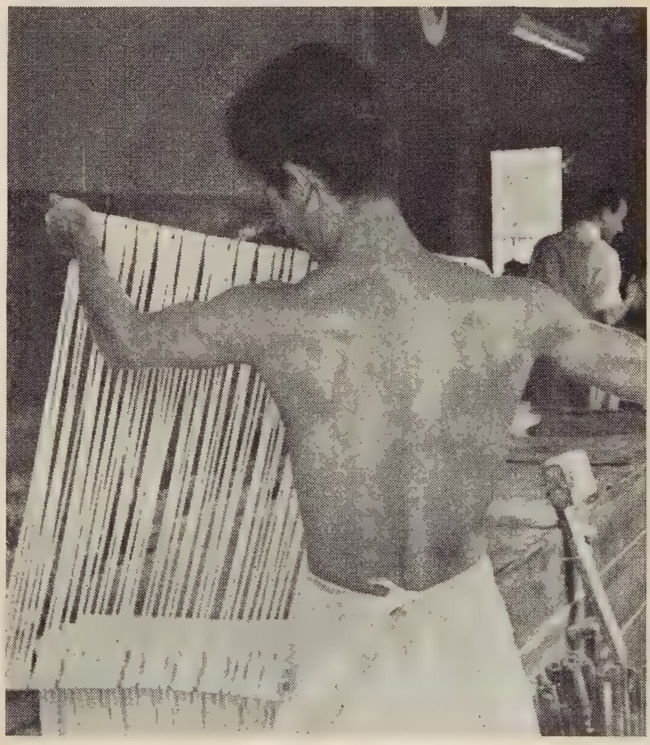
The qualities of Canadian flour and the benefits to be derived from mixing it with softer flours are well known in Singapore and there is thus a possibility of a growing demand for the use of a higher percentage of Canadian flour. Any substantial increase would first require the installation of mechanical mixers in the smaller bakeries, because doughs containing relatively high percentages of Canadian flour cannot be worked to best advantage with hand mixing. Biscuit baking in Singapore is dominated by one very large company with some of the most modern equipment available anywhere in the world. Needless to say, the head baker is fully familiar with the qualities and uses of all classes of flour.

The Mission visited two plants in Singapore making both cut and stretched noodles. At the first plant, the ordinary cut noodles were being made at a capacity of 4,000 lb. of flour per day. During the visit, the plant was making noodles of medium width, dried in the sun, from a mixture of one part of low-grade Canadian flour (possibly from No. 5 wheat) and one part of Australian flour. The second plant was making the more expensive stretched noodles with a flour containing 20 per cent of Canadian No. 5. The dough is formed into a long strand which is wound continuously on two parallel sticks. The dough is then stretched periodically over a period of about three hours so that the sticks are eventually about five feet apart. The stretched strands of noodles are dried in the open.

## Use in Noodle Making

In general, noodles are made from cheap flour. It was agreed that Canadian flour made good noodles and was especially useful for stretched noodles. Though the price of higher grade Canadian flour prevents its widespread use in noodles, some flour from Canadian No. 5 wheat has been bought for noodles in recent years.

Bakers, importers and others with whom the Mission met expressed the opinion that the price relationship



*One of the products of this Singapore bakery is stretched noodles. The baker forms the dough into a long strand and then winds it continuously on two parallel sticks. At intervals over the next three hours the dough is stretched, as the picture shows. Eventually the sticks are about five feet apart and the stretched strands are then dried in the open air.*

between Canadian and Australian flour is the all-important factor in establishing the percentage of each which will be used in bread or noodles. The quality of Canadian flour is generally recognized but there is a definite limit to the premium which will be paid. Opinions expressed to the Mission were to the effect that the demand for Canadian flour could be built up to, say, 30 per cent of the market (from the present 10 per cent) if Canadian flour were no more than 10 per cent dearer than Australian flour. At present the difference in price is much greater.

It appears to the Mission that, for the time being, Malaya must be considered as a "price" market for Canadian flour. The quality of Canadian flour is recognized and there will always be some demand for it, even at a premium price. It is possible that this demand will increase gradually as the market becomes more quality-conscious, but to increase the immediate demand in a substantial way would, under normal conditions, require a closer relationship between Canadian and Australian prices.

## Indonesia—*Immediate prospects for the sale of Canadian flour appear poor.*

THE STATE OF INDONESIA, proclaimed in 1948, is composed of more than 2,000 islands with a total land area of 735 thousand square miles. The Island of Java, on which the capital city of Djakarta is located, comprises about 7 per cent of the total land area but has 67 per cent of the population.

The population of Indonesia is now estimated at approximately 80 million. The rate of growth is indicated by the fact that the population was 33 million in 1900 and 60 million in 1930. Djakarta has a population of over three million.

### Market for Canadian Flour

The Indonesians are mainly consumers of rice. The country is capable of producing vast quantities of this cereal, sufficient in normal times for its own needs and frequently leaving a surplus for export. Rice can be seeded at any time of year in Indonesia and can be seen, in adjacent paddies, at all stages of growth, from seedling to fully ripe.

*A typical scene inside one of the bakeries in Indonesia's capital city, Djakarta. Indonesians are primarily rice eaters; only a small proportion of the city dwellers eat bread and other bakery products and everywhere bread is still a luxury.*

### Flour Consumption May Increase

Indonesia's present annual requirement of flour is estimated to be only about 150 thousand tons, which is insignificant for a population of 80 million. Indonesian government officials expressed the opinion to the Mission that flour consumption will probably increase but that the prospects depend upon the economic prosperity of the consumers. At present only a small percentage of the urban population eat bread and other baked products and those in the rural areas consume none. Even in the cities, the Indonesians still regard bread as a luxury.

### Australian Flour Has Advantage

Flour imports are controlled by import permits and foreign exchange permits issued by the Indonesian Government. At the time of applying for these permits, an importer must deposit 75 per cent of the invoice value of the flour shipment and further financing is also required before shipment. This favours Australian flour because shipping time from Australia is less than half of that from Canada and the saving in financing costs is substantial.

Australia also has a further shipping advantage. Vessels coming from Australia, comparatively small in size, can call at many of the small islands while they are passing through the Archipelago and deliver flour en route as required. The larger vessels coming from Canada and the United States tend to make only one port of call.

### Australia Leading Supplier

Import statistics show that, in recent years, Australian flour has supplied about 65 per cent of Indonesian requirements. The remainder has been mainly United States flour. Canadian flour has participated to the extent of perhaps 1·5 per cent. Just as bakers in many other parts of the world prefer Canadian flour, most Indonesian bakers prefer Australian flour. It is well suited for biscuits and cakes, which comprise about two-thirds of the baked goods in Indonesia. For bread baking, a considerable quantity of United States flour is normally blended with the Australian. Only a few of the bakers appreciate the merit of Canadian flour and have had some experience with it.

The difficulties faced by Canadian flour are also faced by United States flour. There is, however, one U.S. mill which has built up a demand for a particular brand which the bakers are now prepared to ask for by name. Other U.S. and Canadian mills have persevered in efforts to enter this market but with little success so far.

### Short-Term Outlook

The Mission was not impressed with the immediate prospect for the sale of Canadian flour in Indonesia. Some day, as and when the general economic condition of Indonesia improves and the present system of import control is no longer in force, an educational and publicity campaign may be warranted. Under existing conditions, it can hardly be considered worthwhile.

## Ceylon—*Sales prospects for Canadian flour not encouraging under present conditions.*

THE ISLAND OF CEYLON has an area of approximately 25,000 square miles, or slightly more than the area of the Province of New Brunswick. The present population is estimated at approximately eight million, 650 thousand of whom live in the capital city of Colombo.

### Market for Canadian Flour

As in Indonesia, rice is the main cereal food for the people of Ceylon. However, because of the rapidly increasing population and the lack of agricultural development throughout much of the country, domestic rice production has proved insufficient. Rice and some wheat flour have been imported to fill the gap. In spite of programs designed to increase and improve rice cultivation, self-sufficiency is not likely to be achieved in the near future.

The Government of Ceylon is the sole buyer and importer of flour through the Minister of Agriculture and Food and, more particularly, his Director of Food Supplies. From the government stocks, flour is distributed to bakeries, retail shops, and so on. About 50 per cent of the flour is used in bakeries for bread and pastries and the remainder is used in the homes for native dishes.

The Director of Food Supplies advised the Mission that he only buys Canadian flour under two circumstances: (*a*), if Australian flour is not available, or (*b*), if the Canadian price is sufficiently lower to warrant the expenditure of dollars. He has recently been buying some flour from European mills but payment has been in sterling. The Director stated that the bakers are used to Australian flour and are definitely prejudiced in its favour. For this reason the bakers are suspicious of Canadian flour and, according to the Director, raise complaints (whether warranted or otherwise) whenever Canadian flour is delivered to them.

### Canadian Imports at Disadvantage

The Mission visited several of the larger bakeries in Colombo. The baking process is adapted to making bread from weak Australian flour. Under the Colombo Plan, Australia has given training courses of three months in the Bread Research Institute at Melbourne to two of the leading bakers in Colombo. Arrange-

### Ceylonese Purchases of Flour

| | 1952 | | 1953 | |
|---|---|---|---|---|
| | *Quantity* Cwt. | *Value* Rs. | *Quantity* Cwt. | *Value* Rs. |
| United Kingdom | 2 | 100 | ........ | - ........ |
| Australia | 3,285,068 | 96,772,707 | 4,686,801 | 133,885,452 |
| Canada | 677,516 | 20,364,827 | 190,765 | 5,714,920 |
| Hong Kong | 44 | 2,268 | ........ | ........ |
| Japan | 8 | 247 | ........ | ........ |
| United States | 196,618 | 4,428,762 | 182,971 | 5,502,234 |
| Belgium | ........ | ........ | 5,014 | 131,394 |
| France | ........ | ........ | 40,612 | 993,142 |
| Holland | ........ | ........ | 518,024 | 14,321,377 |
| West Germany | . ... | ........ | 116,213 | 3,065,764 |
| Total | 4,159,256 | 121,568,911 | 5,740,400 | 163,614,283 |

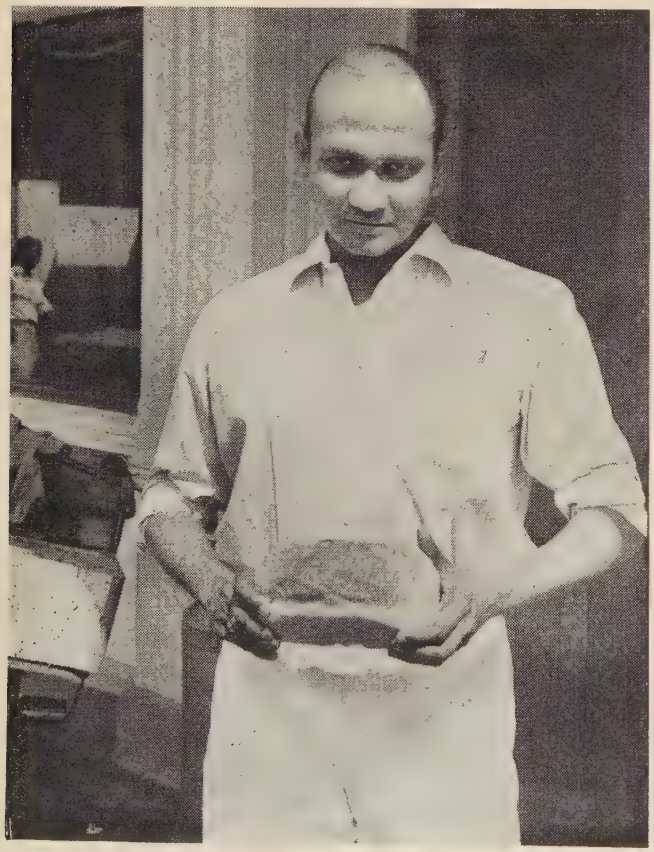
ments have also been made to supply laboratory equipment valued at £2,000 to the Government Marketing Department Bakery. Even though Australian is the predominant flour, the qualities of Canadian flour appear to be well known to the larger bakeries. The Mission believes that such bakeries would prefer to use some Canadian flour in the bread mix if it were readily available. At present the baker has no choice; the prices of both flour and bread are controlled and he takes the flour allotted to him. The Government's purchasing policy and the method of distribution, with no continuity in availability of supplies of Canadian flour to the bakeries, have affected adversely the use of Canadian flour in this market.

The purchasing policy of the Government is reflected in the table above which indicates the dominance of Australian supplies.

Ceylon's imports of flour have been running at about 250 thousand tons a year. This is considered to be abnormally high and results from a government subsidy. It is expected that eventually the requirement will level off at about 125 thousand tons a year, and that flour will always represent a minor factor compared with rice.

### Outlook Is Clouded

Under present conditions, Ceylon is not a hopeful market for Canadian flour. If the present system of purchasing and distributing flour is discontinued and the trade is returned to private hands, the outlook for Canadian flour may improve. It will, however, depend on three factors: the degree to which the Government will be prepared to issue import licences for flour from the dollar area; the comparative prices of Canadian and Australian flour; and the willingness of the bakers to buy and use Canadian flour. ●



*Mr. Perera of Perera & Sons bakery in Colombo displays a loaf of bread baked in his plant. At present Australian flour is the leader in this market, though the Mission found that the larger bakeries appreciated the special characteristics of Canadian flour. The Government is the sole buyer and importer of flour in Ceylon at the moment and makes deliveries from its stocks to bakeries. The individual baker uses whatever type of flour is distributed to him.*

## **Pakistan**—*will likely continue to import Canadian wheat for many years.*

PAKISTAN is composed of two distinct geographical units separated by more than 1,000 miles of territory belonging to India. Western Pakistan, where wheat is the main cereal food, has an area of 322 thousand square miles (almost the size of British Columbia) and a population of 28 million. Eastern Pakistan, where rice is the principal cereal food, has an area of 54,000 square miles (about the size of Nova Scotia and New Brunswick combined) and a population of 42 million. The total land area of Pakistan is 377 thousand square miles, or about 24 per cent of the Indian sub-continent.

### Wheat Production

At the time of the partition of India, the area that became West Pakistan included much of the best wheat-growing land. As a result, there has been a tendency for the rest of the world to consider Pakistan a major wheat producer and a potential exporter. Even during the past few years, when Pakistan had disastrous growing conditions and required substantial wheat imports to prevent starvation, the tendency was to regard that situation as temporary and to expect Pakistan to resume exporting when conditions returned to normal.

From what the Mission saw and learned in Pakistan, it would seem that Pakistan's role as a potential wheat exporter has been greatly exaggerated. The fact appears to be that Pakistan's annual consumption of wheat totals 3·5 to 4·0 million tons, not including seed and feed; the maximum production of wheat that can reasonably be foreseen under normal conditions is also very close to that figure. Senior Pakistan officials estimate that the largest possible surplus (over and above domestic requirements) that can reasonably be expected is in the neighbourhood of 200 thousand tons. This is only a small percentage of Pakistan's total production and is a very small reserve, considering the wheat-eating population of 28 million people in West Pakistan. According to one official, the result of this small "cushion" is that the Pakistan wheat position can be expected to "oscillate like a pendulum"; a surplus can suddenly, in the last few weeks of harvest, become a deficit and vice versa. In any given year Pakistan may have a small surplus or may find itself in the position of requiring substantial imports.

The limiting factor in wheat production in Pakistan is water, not land or fertility. Much of West Pakistan is arid; in Karachi the annual rainfall is only about five inches. Irrigation works are of vital importance. The Mission saw an impressive example of what is being done, a new project which will bring into cultivation an additional 2·75 million acres, only a small part of which will be used for wheat production. Pakistan officials went to some pains to tell the Mission that they do not want to be too optimistic about the increased production which can be expected from irrigation. It appears to the Mission that some increase, possibly a substantial one, in Pakistan's wheat production can be expected eventually as irrigation works continue, but in the immediate future, and for some years to come, the delicate balance between supply and demand will prevail.

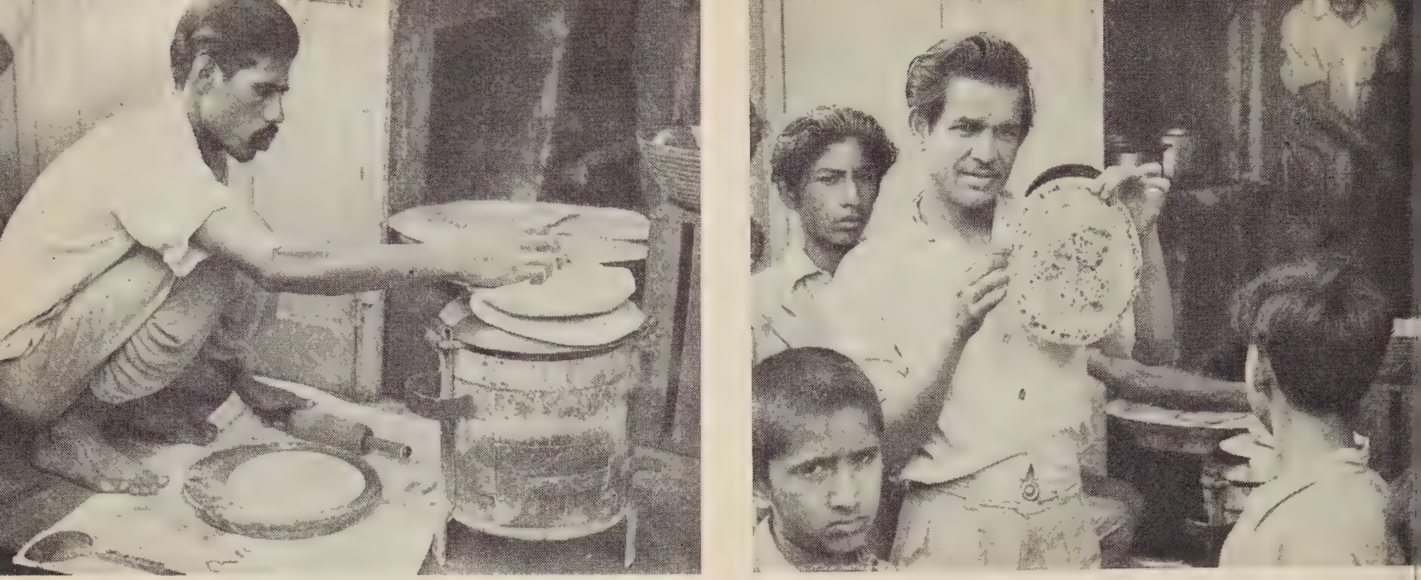
### Storage Problems

Even should a substantial increase in production be possible, however, Pakistan would still be faced with the problems which are encountered in attempting to store reserve wheat in such a climate. The problems of infestation are very severe. Most of the wheat produced is used locally or is stored for local use in small lots. Short-time emergency storage for 800 thousand tons of sacked wheat can be provided by making use of all available warehouses (godowns), including those used during part of the year for cotton. The Government intends to build storage for 500 thousand tons, of which 120 thousand will be in elevators (silos) and the remainder in godowns. It is expected that this storage will be as good as any now available in Asia. Even so, insect infestation is a problem not easily overcome and the period of storage is necessarily limited if severe losses are to be avoided.

### Wheat Utilization

Almost all of the wheat used in Pakistan is ground into a whole-wheat meal, called atta, with little or no bran removed. There are roller mills in the larger cities and it is estimated that these grind about 20 per cent of the wheat. The remaining 80 per cent is ground in stone mills in the larger villages and in the cities. These have circular stones, about 2½ feet in diameter, one of which is commonly driven by a small diesel engine. Smaller mills, down to one foot in diameter and turned by hand, are kept by most households. When times are good, wheat may be taken to the village mill for grinding; when times are hard, the women do most of the milling at home. The wheat is passed only once through the stone mill and comes out as a fairly coarse meal.

A sort of thin pancake, called chapatti, is the main form in which wheat is eaten in both Pakistan and India. A dough that is slightly stiffer than for bread is made from atta and water and allowed to stand for half an hour. A small piece is then broken off and rolled into a thin disc. It is cooked on an iron dome over a soft-coal or charcoal fire in a small stove. The



*These two pictures illustrate the baking of chapattis outside a restaurant in Karachi. In the photograph on the left the chapatti has been placed on top of a charcoal grill and is being held in place while it cooks. On the right, the finished product is held up for inspection. Chapattis are made from a mixture of a wholewheat meal, called atta, and water. The dough is rolled into a thin disc, then cooked on an iron dome over a soft coal or charcoal fire.*

product rises slightly and then subsides. It is soft when it is made but dries out in a few hours. Chapattis are commonly eaten at once and are used with all sorts of other food, and partly as an aid in conveying food to the mouth. A variety of different types of chapattis are made and these often have different names in different localities.

It is obvious that the usual "selling" qualities of Canadian wheat are irrelevant in Pakistan. Such factors as hardness, high protein, and baking strength mean nothing. Flavour appears to be important and the people naturally prefer the flavour of their own wheat. There may be some prejudice against Canadian wheat because of its red colour as compared with the light amber wheat to which the people are accustomed, but the Mission was told that the difference in colour was not of too great importance. Pakistan officials indicated that Canadian wheat was considered very satisfactory and its cleanliness and uniformity of grade appreciated.

It is the opinion of the Mission that Pakistan will be an occasional, and possibly a frequent, importer of wheat for many years. The reputation of Canadian wheat in Pakistan is good, and the reception received by the Mission was outstanding. There is no doubt that Canadian wheat will always receive consideration if and when Pakistan is again in the market.

## India—*Storage qualities of Canadian wheat are appreciated.*

INDIA HAS AN AREA of 1,250,000 square miles, somewhat greater than the four western provinces of Canada, and the population is estimated at 360 million, increasing at a rate of about 4·5 million per year. Density of population varies from 1,300 persons per square mile in some urban centres to under 24 persons per square mile in mountainous regions. About 70 per cent of the people live in small villages.

### Wheat Production

India is a major producer of rice, wheat and other food grains. Normal production of rice is 25 to 30 million tons a year, somewhat short of the consumption requirements of the rice-eating portion of the population, who constitute by far the greatest majority. Wheat production is 6·5 to 7 million tons, or about ·5 million tons less than the needs of that portion of the population who rely on it as their staple food.

In considering the production problem, there are two factors of major importance. The first is that in India, rice and wheat are not entirely interchangeable foods and a surplus in one will not necessarily offset a deficit in the other. Second, about 90 per cent of normal production of food grain is consumed where it is grown. Any surplus over normal local requirements tends to be retained either to improve the level of the diet or as a reserve for the following year. Thus, requirements of urban and other non-producing areas must be met from government collections, reserves or imports. Because India's annual requirement for wheat now exceeds her production by 0·5 to 1·0 million tons, imports of that amount could reasonably be expected. In the present crop year, however, India has indicated that her requirements of imported wheat will be virtually nil. This is due to two factors. In the first place, because of heavy imports and reasonably good crops last year, it was estimated in February that India had an adequate reserve of 800 thousand tons. In the second place, largely because of an unusual and beneficial rainy season, India's current wheat and rice crops are expected to be bumper ones.

### Is Self-Sufficiency Possible?

As India's present grain position became known, there was considerable speculation over whether that country had achieved self-sufficiency in wheat. Opinions expressed to the Mission indicate that this is not so. Senior Indian officials said that India's present bountiful wheat position is probably due 10 or 20 per cent to the Five Year Plan to increase production and 80 or 90 per cent to the exceedingly beneficial growing season. It is true that new acreage and better cultivation methods have been contributing factors but the rainfall, both in timing and distribution, has been the dominant factor. It thus seems reasonable to expect that, under normal circumstances, India will again be a substantial importer of wheat.

The effect of the Five Year Plan, which has two years to go, should not be overlooked. The wheat objective was to increase production by two million tons a year (to, say, 8·5 million tons) by means of new acreage and irrigation projects designed to about double the present irrigated wheat acreage. If the objective can be achieved, consumption can be maintained at the present level, despite the population increase in the interim. But because an increase in average calorie consumption is also desirable, self-sufficiency in grain production may not be attained.

### Research into Storage

India also has storage problems. At present, wheat is stored in bags which are piled in stacks, mainly under cover, in godowns. But there is a considerable wastage and the Government wishes to have improved storage for normal reserves of 0·5 to 1·0 million tons of wheat. An expert from Australia (selected by FAO) is to study the matter in the near future.

The Mission visited two government storage depots in Bombay. In the godowns in these depots, 220-pound sacks are arranged in uniform stacks which can be covered by a tent of balloon cloth for fumigation. Because of the hot climate, the insect problem is serious beyond belief. Of the six main pests, three are flying insects and re-infestation of fumigated stacks is merely a matter of time. The Assistant Director of Storage is a professional entomologist and a strict regime of dusting every three weeks, and of fumigating every six to eight weeks, is maintained. Even so, wheat can rarely be held for more than about five months without serious reductions in quality. The wheat that is in poorest condition is always allocated first. Thus little wheat that is in really good condition leaves the government stores.

### Market for Canadian Wheat

If it can be assumed that, apart from unusual bumper conditions, India will continue to be an importer of wheat for some years to come, the usual question arises about the prospects for Canadian wheat. In India, wheat is distributed and used in the same way as in Pakistan—that is, milled either at home or locally into atta for the preparation of chapattis. We were told that among consumers there is undoubtedly a prejudice, whether warranted or not, against imported wheat. Three factors seem to be involved. First, some imported wheat has been defective in quality, although it did not necessarily arrive in that condition but deteriorated during storage. Second, many imported wheats, including Canadian, are redder in appearance than those the consumers are used to. Third, consumers prefer the flavour of their own domestic wheats.

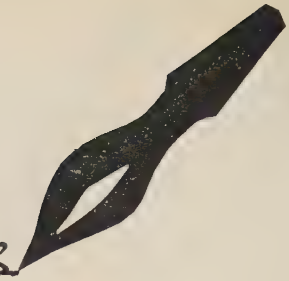
When we asked directly which imported wheat was preferred—Canadian, United States, or Australian—the Mission was told that the question was difficult to answer. According to officials in Delhi, the consumers prefer to have no imported wheat at all, but in Bombay we learned from officials directly concerned with distribution that there is a strong preference for white wheat.

Storage supervisors classify wheat in accordance with its storage potential, primarily its freedom from insects. Canadian wheat has an excellent reputation and is considered a better storage risk than either United States or Australian wheat. For this reason the Government would prefer to use Canadian wheat for a rotating reserve. The Mission therefore believes that India may be a regular customer for some Canadian wheat in years when its own wheat crop is of normal size.

The Mission is of the opinion that, under normal crop conditions, India is not self-sufficient in wheat and that the conditions in the present crop year should not be considered normal. Efforts are being made to achieve self-sufficiency, but in view of the increasing population, probable success is difficult to estimate. The consumers may prefer white wheat but Canadian wheat is considered a better storage risk. It thus seems probable that Canada can retain a share of the Indian market.

---

*Extra copies of this issue, containing the report of the Grain and Flour Mission, can be obtained by writing to the Wheat and Grain Division of the Department of Trade and Commerce.*



# General notes

## Australia

UNDERSEA SEARCH FOR OIL—Frome Broken Hill Co. Pty. Ltd., which recently obtained authority from the Queensland Government to prospect 161 thousand square miles in the area extending from the Gulf of Papua basin to Cape York Peninsula in the Gulf of Carpentaria, is prepared to spend £1 million in its search for oil. It will survey thousands of square miles of Gulf waters and the investigations by geologists are expected to take about five years. The Zinc Corporation, the Anglo-Iranian Oil Co. and the Vacuum Oil Co. are subscribing the capital—Sydney, May 5.

FAVOURABLE TRADE BALANCE—For the eight months ended February 28, 1954, Australia had a trading deficit of £11,422,000 with dollar countries, compared with £32,020,000 for the eight months to February 28, 1953. For the same period, the favourable balance with sterling area countries fell from £121,100,000 to £10,895,000. There was an overall favourable balance of £136,619,000—Sydney, May 1.

## Chile

GOLD MINES—According to a report issued by the owners of one of the largest of Chile's gold mines, situated in the northern part of Norte Chico, higher wages and costs have made gold production there uneconomic at present world prices. A government subsidy was requested to keep the mine in operation and thus avoid further unemployment. This request was refused. It is estimated that, at the present time, some 80 per cent of the relatively small but numerous independent mining companies in the Norte Chico sector of Chile have now stopped production—Santiago, May 10.

## Colombia

NEW TRADE AGREEMENT WITH ARGENTINA—The Colombian and Argentine Governments have concluded a new trade pact which is designed to stabilize and expand commerce between them. The Agreement specifies minimum purchases of each other's goods, amounting to US$5.75 million a year. Under the Agreement, Colombia plans to sell to Argentina coffee, petroleum and products, cement, bananas and other tropical fruits. In return, it will buy woollen textiles and yarns, wheat and wheat flour, semolas, malt, books and other printed matter, pharmaceuticals and veterinary supplies, canned meats and fish, preserved fruits and vegetables, linseed and edible oils, tallow, stearine, condensed and powdered milk, hides and certain other manufactured products.

With sales of wheat and wheat flour planned at US$1·5 million a year, malt at US$650 thousand, and various other items in lesser amounts, it would appear that Canadian sales to Colombia of competitive goods may suffer—Bogotá, May 15.

## Cuba

EXPORTS—Exports for the first eleven months of 1953 were valued at US$595,569,655, according to the Statistical Section, Ministry of Finance. Exports of sugar and sugar products were responsible for the major portion of the total export value, accounting for US$501,884,028. Tobacco and minerals exported were valued at US$34,817,223 and US$32,765,074, respectively. Other metals and their manufactures, forest products, foodstuffs, chemicals, pharmaceuticals, and other miscellaneous commodities made up the remainder—Havana, May 17.

## France

PRICE CEILINGS AND MINIMUM WAGE—Prices in effect on February 8, 1954, are to constitute a price ceiling under a decree dated February 18. Agricultural, fisheries and imported products are not covered by the new regulation, although all commercial mark-ups in practice at present may not be legally increased, regardless of the product. A similar regulation was put into effect in September 1952, and a small decrease in the general level of prices (between 1 and 2 per cent) has since taken place. The new law will consolidate this drop and is also designed to prevent a recent "premium" to the lowest-paid workers being passed on to the consumer. On February 5 the minimum legal wage was made subject to an indemnity ranging from 13 to 15 francs an hour, bringing the minimum guaranteed wage to from 100 to 115 francs an hour, depending on the region—Paris, May 20.

## Indonesia

TRADE AGREEMENT WITH NORWAY—A new trade agreement with Norway has been initialled in Djakarta to cover the period April 1, 1954-March 31, 1955. Under its terms, Indonesia will supply Norway with commodities to the value of Norwegian Crowns 47,245,000, including 18,000 tons of copra, 2,000 tons of rubber and 1,000 tons of coffee. Norway will supply paper, cardboard, fishing equipment, cod liver oil and other goods to the value of Norwegian Crowns 19,530,000—Djakarta, May 3.

### Japan

NEW MINERAL DISCOVERIES—Japanese geological survey parties have discovered a deposit of high-grade titanium ore, estimated at over 56,000 tons, in a south central prefecture. Sheet glass, ceramics and paper manufacturers and steel producers are looking forward to the exploitation of substantial deposits of high grade dolomite discovered in the mountainous district west of Nagoya. It is also reported that coal mined in Hokkaido, Japan's most northerly island, contains germanium and two firms are planning fairly large scale production of this element, used in resistors for small efficient radio communication equipment—Tokyo, May 5.

### Northern Ireland

MARKETING OF FLAX—The Government has decided to introduce legislation to provide for an assured market and guaranteed minimum prices for dam-retted flax grown in Northern Ireland. The object of the scheme is to retain the present arrangements for the marketing and grading of flax which would not be possible without some form of government guarantee. The scheme will be a long-term one, but its operation in any year will depend on the Northern Ireland flax spinning trade giving certain assurances to the Government.

The standard prices for flax of the 1954 crop guaranteed by the Ministry of Agriculture will be based on a price of 35/– per stone for Grade 5 dam-retted hand-scutched flax, with the usual adjustments for other grades and for machine-scutching. The Flax Spinners' Association Limited has undertaken to buy the entire crop. If world prices should prove to be higher than the standard prices, growers will receive the higher price. The prices for re-scutched tow will be announced later.

The full range of standard prices for the 1954 crop of hand-scutched, dam-retted flax is as follows: Grade 1, 41/– per stone; Grade 2, 39/6 per stone; Grade 3, 38/– per stone; Grade 4, 36/6d. per stone; Grade 5, 35/– per stone, and Grade 6, 33/6d. per stone. The standard price for machine-scutched, dam-retted flax has been fixed at 1/6d. per stone more in each grade—Belfast, May 6.

### Pakistan

FOODGRAIN POSITION—The first estimate of the wheat area under cultivation in Karachi for the crop year 1953-54 is 9,889,000 acres, compared with 8,797,000 acres reported in the first forecast for the crop year 1952-53. This is an increase of 12 per cent, and is attributed to favourable weather conditions at the time of sowing, a greater supply of water, and the Government's "Grow More Food" campaign. The wheat crop will be harvested shortly and, as a favourable rice crop was harvested late last year, it is expected that Pakistan will have sufficient foodgrains to meet all her requirements this year—Karachi, May 4.

### Sweden

RADIOACTIVE MEASURING APPARATUS—The Swedish Export Association reports that the first apparatus in the world for measuring in large series samples of radioactive substances has recently been introduced to the Swedish market. This apparatus measures, registers and compiles the results entirely automatically and performs work that would ordinarily require the manual operations of four or five assistants. The first machine will be used in the heart clinic at a Stockholm hospital; later the export market in the United States and other countries will be investigated—Stockholm, May 1.

### Switzerland

EXPORT CREDITS ASSIST INDUSTRY—Today in Switzerland the Federal system of export credits not only supports the position of exporters in foreign markets, but provides a needed outlet for investment capital on the highly liquid money market. According to an industry spokesman at the recent General Assembly of Swiss Bankers, the capital goods industry owes at least Sfrs.150-200 million worth of business annually to export credits advanced by the Federal Government. Covering up to 80 per cent of invoice value less profit, for a premium of 0·5 per cent, guarantees were issued against a total of Sfrs. 400 million worth of business in 1953, about 10 per cent of all Swiss exports. Bankers are now entering the export credits field, covering interest collection and up to 10 per cent of payment on principal, against non-commercial risks—Berne, May 10.

### Turkey

WORLD BANK WITHDRAWS—The office of the International Bank for Reconstruction and Development in Ankara was closed down in March and its representative recalled, following disagreements between the Bank and the Turkish Government.

The Bank's credits to Turkey amount to $60 million, principally for port development and hydro-electric projects. The disagreements are reported to include the Bank's failure to provide loans for certain projects, especially the Gediz hydro-electric scheme, and the Turkish Government's failure to provide adequate guarantees for repayment of the loans being made by the Bank—Athens, May 5.

### United Kingdom

BANK RATE CUT—The Bank of England yesterday announced the reduction of the bank rate from 3½ to 3 per cent. The rate, which was set at 4 per cent in March 1952, was reduced to 3½ per cent in September 1953. The results of yesterday's cut will be to narrow the margin between the higher short-term interest rates obtainable in the United Kingdom and those in New York and some Continental centres.

The recent influx of funds from abroad has been influenced by higher U.K. interest rates and by reports that the present upper limit on appreciation of sterling was to be relaxed. The Treasury's denial of any proposal to adjust the upper limit, together with the lowering of the bank rate, is expected to discourage this flow to some extent—London, May 24.

APRIL EXPORTS HIGHEST—The daily rate of exports from the United Kingdom in April was at its highest point thus far in 1954. At £233 million, the total, including re-exports, was £25 million below the March figure. The value of imports in April fell by £14·6 million from the March level to £284 million, resulting in a trade deficit of £50 million, £10 million higher than in March.

Compared with a year ago, the first four months of 1954 resulted in a substantial lowering of the current trade deficit. The January-April totals (1953 in brackets) are as follows: exports, £934·1 million (£879·3 million); imports, £1,106·5 million (£1,112·1 million); deficit, £172·4 million (£232·8 million).

Shipments to the dollar area in April rose by £1 million to £25·1 million, largely as a result of the increase in exports to Canada, from £11·2 million in March to £12·9 million in April. Sales to the United States were down slightly at £12·2 million —London, May 24.

### United States

ATOMIC BATTERY DEVELOPED—An atomic battery has been developed by a Boston firm. Source of the power is radioactive tritium, one of the constituents of the hydrogen bomb. The batteries, which have been produced experimentally, can give up to 400 volts at very low current. The tritium contained in the batteries costs from $1 to $100 at current prices and will produce ·01 to 1·0 microwatts of power. The batteries have a maximum life of from 10 to 30 years, depending on the design. A cylinder smaller than an ordinary flashlight battery is filled with the radioactive material surrounding pairs of metal plates with different surface electrical characteristics. It is claimed that there is practically no danger from the tritium isotope which is used—Boston, May 28.

# trade commissioners on tour

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions here and to renew their contacts with businessmen. Details of their itineraries appear under this heading, as a service to exporters and importers who wish to discuss trading problems with them.

W. D. WALLACE, Commercial Secretary in Djakarta, Indonesia, began his Canadian tour in Ottawa on March 3rd and completes it in Winnipeg, June 17th and Vancouver, June 22nd to 30th.

Businessmen in these centres may get in touch with Mr. Wallace through the Canadian Manufacturers Association in Winnipeg and the Department of Trade and Commerce in Vancouver (355 Burrard Street).

M. R. M. DALE, Commercial Secretary in Santiago, Chile, began his Canadian tour in Windsor on March 30th and completes it in Toronto, June 14-25, where businessmen may get in touch with him through the Canadian Manufacturers Association.

On completion of his tour, Mr. Dale will be posted to Cairo, Egypt.

# Korean Procurement and Canadian Business

*Dispatched from Seoul early in May, this report gives first-hand information about Korean recovery and its quickening tempo and suggests avenues of trade which Canadian firms might wish to explore.*

J. C. BRITTON, *Commercial Counsellor, Tokyo.*

DURING MY PRESENT VISIT to Korea, I am finding that the task of rehabilitation is gaining momentum. It is a gigantic undertaking and, for many Korean industrial and trading firms playing a part in it, means virtually starting from scratch. Many of them went through the same process four years ago and were beginning to make some headway when the invasion took place. Now they are setting to work a second time.

In putting their hands to this great work, the Koreans have much practical support and encouragement from outside their own country. United Nations agencies particularly, such as the United Nations Korean Rehabilitation Agency (UNKRA), are assisting in all phases of relief and in reconstruction. Many private firms in foreign countries are also receiving orders for urgently needed goods from the procurement agencies or from the Korean Government. In fact, Canadian companies might well be able to share in the business which Korean rehabilitation offers.

### Rehabilitation Is Progressing

The visitor to the Republic of Korea cannot fail to note the evident progress. I learned that industrial production has risen significantly in the past twelve months, as raw materials and equipment have reached the actual users. Inflation, however, still remains a threat because most, if not all, consumer goods are in short supply. The rate of the price rise has slowed up during the last year, primarily because the price of grains is falling, thanks to an abundant supply of rice and imported grains. The 1953 rice crop totalled 2,040,000 metric tons and as about 80 per cent of the population of South Korea engage in whole or part-time farming, a successful rice crop is an important stabilizer. The inflation of the moment, though serious, is not regarded too pessimistically, despite a budget in which 70 per cent of the expenditures are for defence.

### A Look at Foreign Trade

The level of foreign trade in the calendar year 1953 was satisfactory, bearing in mind the obstacles and uncertainties under which it was conducted. Imports exceeded exports by $119,262,578 in a total trade of $208,703,975—exports were valued at $44,720,694 and imports at $163,983,281. United Nations expenditures and aid in one form or another enabled Korea to meet its 1953 payments on international account. Tungsten valued at $30 million accounted for 68 per cent of total exports in 1953, with the United States the most important customer. Marine products, valued at $15 million, came second. Japan furnished the bulk of Korea's imports in 1953, some 47 per cent of the total. Foodstuffs headed the list of imports, comprising 50 per cent of the total, followed by textiles, 13 per cent and chemicals, 11 per cent.

### Some Current Difficulties

At the moment trade, both import and export, is exceptionally sluggish. This situation stems partly from the current impasse in Foreign Operations Administration procurement because of the Republic of Korea's exclusion of Japan as a possible source of supply for cotton cloth being bought under FOA. This action is reported as being in conflict with world-wide FOA regulations on procurement. On the export side, the loss of the United States as a market for Korean tungsten has seriously impeded the activities of registered "Foreign Traders" engaged in ordinary foreign trade in conformity with Ministry of Commerce and Industry regulations. The Ministry automatically cancels the registration of foreign traders if the trader is unable to obtain export licences totalling $10,000 a year. Tungsten exports were formerly the main source of export credits and when these exports were in full swing, registered "Foreign Traders" were required to have import and export licences for goods worth $50,000 within the first six months after registration and $100 thousand a year thereafter.

### Procurement Programs

A number of different agencies are planning and handling procurement in Southern Korea at the present time. The programs now under way call for substantial expenditures over the next twelve months on civilian goods and on relief and rehabilitation projects. The more important agencies in addition to those handling military procurement and planning include the Korean

Government Office of Procurement (OPROK), the Foreign Operations Administration, and UNKRA, which handles its procurement largely from United Nations headquarters in New York. The UNKRA program covers a number of important long-range projects, many of which are gradually taking shape.

Republic of Korea procurement with FOA financing and FOA procurement have only been under way for about three months but the FOA program calls for the expenditure of $200 million before the end of June 1954. It is unlikely that the entire amount will be allocated and some will probably be carried over into the next fiscal year, but it is understood that more than $150 million has already been earmarked. FOA and OPROK procurement with FOA funds will largely take place in Korea. The projects and sources of supply must be sanctioned by FOA Washington but purchases will be made in Korea.

### Private Trading

In addition to all this, the Republic of Korea does considerable procurement using its own foreign exchange resources. These resources are estimated at $120 million for the fiscal year ending June 30, 1954, and it is probable that all the funds will be spent for commodities which are urgently needed. The Korean Government recently changed its fiscal year to coincide with the United States fiscal year. Its foreign exchange resources are derived in part from United States and United Nations spending in Korea, which will be about $50 million in fiscal 1954, and in part from exports of tungsten and marine products, having a combined value of about $45 million.

The combined purchasing by all sources has created a whirlwind of activity among Korean trading firms and because they are doing the buying and financing of commercial imports, they will exercise discretion in price, quality and quantity on all the commodities they buy. It is expected that Korean commercial firms will therefore order in conformity with supply and demand and in the process gain valuable commercial experience with countries in all parts of the world. Previous trading was largely confined to dealing with Japanese firms. The necessity for broader, world-wide experience, indeed, was in the minds of FOA planners when they agreed that Korean trading firms should do the actual buying with FOA funds. The policy was also aimed at increasing the responsibility of Korean firms and assisting them in rebuilding their businesses which were, in most cases, ruined by the war.

### Opportunities for Canadians

South Korea has a number of experienced and reputable trading firms but it must be remembered that the management of businesses in the country was in the hands of foreigners for almost 50 years. Korean businessmen are gradually adapting themselves to the change and are taking the present purchasing program in stride. There are, of course, a number of foreign firms, mostly American, in Korea and they normally maintain contacts with Korean firms. If a company interested in doing business in Korea feels that a trip there is out of the question, it should realize that representation by either Korean or foreign firms is essential if it wishes to participate in the extensive procurement now going forward.

Are there opportunities for Canadian goods in Korea at present? Canadian products are by no means widely known but there have been imports of Canadian flour, lumber, barley, plywood, bond and printing paper, and newsprint. There is a demand now for aluminum sheets and ingots, lumber, fertilizer, railway ties, printing papers, malt, hides, tallow, logs, non-ferrous metals and a wide range of industrial products. Delivery is perhaps the most important consideration because the need is so urgent, but price is also vital. Native and foreign firms in Korea want catalogues and prices available for continuous reference. Canadian firms who wish to try out this market can obtain a list of Korean and foreign trading firms from the Department of Trade and Commerce, Ottawa. It should be borne in mind that business in Korea today is extremely competitive, the trade position confusing and, because censorship is imposed, communication with business firms is slow.

Korea is interested in selling as well as in buying and looks to Canada as a market for marine products, crab, seaweeds of various types, handicrafts and minerals, such as tungsten, bismuth, fluorspar and graphite. Korean exporters are anxious to get in touch with Canadian buyers of these commodities.

## Transportation

*A new edition of "Canadian Foreign Trade Routes," giving more detailed information on sailings from Canadian ports, is now available from the Transportation and Trade Services Division. "Canadian Foreign Trade Routes" contains an index to foreign ports of discharge and to steamship companies and their Canadian agents, plus a table of steamship services from eastern Canadian ports and from Canadian Pacific ports, including ports of discharge, loading ports, number of sailings, space accommodation and other information.*

*To obtain this directory and other information on water, rail, air and road transport services to and from Canada, write to the Director of the Transportation and Trade Services Division, Department of Trade and Commerce.*

# Davis Leather Exports Calf

*A company in business well over a hundred years finds it possible to keep its exports up by adjusting its products to suit varied tastes, and by stressing quality and service.*

H. LESLIE BROWN, *Director, Information Branch.*

A YEAR OR TWO before Queen Victoria ascended the throne in 1837, a member of the Davis family started tanning leather at his farm on upper Yonge Street, some miles north of the city of Toronto. As the business developed, a location which provided ample waterpower and plenty of hemlock bark was discovered at Kinghorn, Ontario, and the first Davis factory was built on this site in 1847. This plant was eventually burned out towards the end of the century and the present factory was completed in the year 1904 in the town of Newmarket. The business was continuously operated by successive generations of the Davis family until a public company was formed in 1945.

The passing years have naturally brought changes. At one time all tanning was done with vegetable chemicals but, as chrome tanned upper leather became more and more popular, the Davis Leather Co. Ltd. graduaally changed their process and today are exclusively chrome tanners. Another change was in the type of leather. As business expanded, the company began to specialize and, early in the 1900's, was concentrating on calfskins.

## Changing Export Markets

Beginning early in the century, Davis gradually developed a very satisfactory export business with the United States. However, in 1930 the Smoot-Hawley tariff imposed a duty of 15 per cent on leather entering that market. This had a very adverse effect on Davis's operations. But markets often change. At this time their leathers had been meeting with increased favour in the United Kingdom and Davis were able to replace much of the lost business by sales in British markets.

At about the same time, a very light calf leather was developed which successfully combined the durability of calf with the lightness of kid. This product was marketed under their trade name of "Baby Calf" and quickly became much in demand in all the high-grade shoe factories throughout the world.

As the demand for finer calf became world-wide, the tannery gradually expanded until it was one of the largest, if not the largest, producer of calfskins in the Commonwealth. Before the Second World War, exports took about two-thirds of total production: the United Kingdom was the largest customer, the United States second, and the domestic market in Canada third. The relative importance of the market has since changed, as would be expected, but the proportion of total production exported remains much the same.

Naturally, exports were drastically curtailed during the war. The company has had to struggle continuously to recover volume business in the export field. Foreign exchange restrictions and government allocations in various countries have made exporting difficult. However, the past year has brought some signs of improvement. Output is still not what it was prewar but about one-third to nearly one-half of production is exported.

## Export Procedure

In view of the fact that it takes from six to eight weeks to convert raw material into finished leather, one of the biggest problems in the export field is giving satisfactory deliveries. In many cases the leather is required for seasonal promotions and must be in the right place at the right time. Davis therefore ensure that, when the goods leave the tannery, they are shipped by the quickest possible route consistent with cost.

Davis sell abroad through resident commission agents who are familiar with the shoe and leather industries and who, in most cases, handle other types of leather which are not competitive. They have about forty agents in almost as many countries. Although some of these agents have not been able to do business with the Canadian firm for some years because of trade restrictions, Davis continue to keep in touch with them against the day when they will once again become active representatives.

## Trade Commissioners Help

The company has not seen many of the agents personally because the Canadian firm relies to a large extent on the services of Canadian Trade Commissioners in obtaining reliable reports and information on the agents and their activities. As a result, Davis are almost continually in correspondence with one or other of the Trade Commissioners in various parts of the world.

### Value of Personal Contacts

It is sometimes difficult to maintain satisfactory relations between the company, its agents and its customers by correspondence alone. Mr. J. H. Gairdner, General Manager of the Davis Leather Co. Ltd., in telling me his story, commented on this problem. "We find that it is very important to establish personal contact by sending our representatives to visit our various markets as often as possible where the expense is warranted. In the past few years, it has been very difficult to justify trips to many of our traditional markets. However, we have found the ones we have called on are extremely interested in doing business with Canada and very much appreciate having someone from Canada call on them."

### Differences in Markets

Like many other exporters, Davis have experienced considerable variation among the different markets. In some the problem is mainly a matter of price; in others, quality is the main concern. Mr. Gairdner commented: "We attempt to adjust our product to fit as nearly as possible the area concerned. On the whole we find that, once we have established a relationship, foreign customers are very fair and easy to deal with. We try to make sure that our product is up to standard before shipping so that complaints and returns will be held to a minimum."

In this connection he stated that his business has been on the basis of f.o.b. Canadian port of shipment, with payment against established letter of credit. Consequently they have had few financial difficulties.

### Service to the Customer

Mr. Gairdner considers it essential that a member of his office staff be thoroughly conversant with the handling of export shipments, particularly because the shipping and documentation requirements for their numerous markets vary considerably. For the most part their correspondence with their agents is conducted in English but from time to time they seek the assistance of a translator.

Mr. Gairdner concludes his story with some practical observations: "It has been our experience that one must have a product to offer which has the advantage either in quality, style or price, to be able to obtain the business in face of local competition. In our case, because our product is mainly used in high-style women's shoes, it is necessary for us to keep a very close contact with the style centres of the world in order that we may have the correct colours to offer in a continually changing style picture."●

## Mexico's Iron and Steel Industry

MEXICO PIONEERED the iron and steel industry in Latin America, when the first blast furnace in the twenty republics went into operation in Monterrey in 1900. This company, more than fifty years later, is still the largest Mexican primary producer and operates two blast furnaces with daily capacities of 300 and 500 metric tons.

Mexico boasts two other important producers, one of them in Mexico City, and altogether the country manufactured 535 thousand metric tons of steel ingot in 1952, 143 thousand tons of plate and sheet, 48,000 tons of wire rod, and 13,000 tons of tinplate. Last year, business and construction experienced a comparative lull and steel production fell below the 1952 totals. However, expansion is under way.

Mexican manufacturers turn out an impressive range of iron and steel products but production costs are high, despite the fact that labour comes cheap in Mexico compared with the United States. Imported steel products still have a substantial sale here. The building of new mills is being carefully studied and it seems likely that within a few years Mexico will have a substantial and well-integrated steel industry. In the north and west of the country there are practically inexhaustible deposits of high-grade iron ore, but they are a long way from the principal market, the Federal District. Coahuila, a northern state, has abundant coal deposits but so far only a low-grade coke has been produced. However, a new coking plant is under construction at Monclova (Coahuila).

The steel industry in Mexico enjoys ample tariff protection and the Federal Government gives new projects and plant expansions every encouragement in the form of tax exemption, the waiving of customs duties on the import of special machinery, and the placing of import controls on finished and semi-finished steel products that might compete with local production.

Numerous industries using a wide variety of steel products have sprung up within the past ten years and it is estimated that there are about 22 manufacturing plants which use steel, chiefly in the Federal District. The products they turn out include steel furniture, enamelware, stoves, beds, galvanized water pipe, electrical conduits, steel barrels, hinges, locks, tools, etc. Mexican steel-makers have not yet been able to meet the varied requirements of these plants.

Per capita consumption of steel products in Mexico now stands at only 45 lb. However, as industrial development progresses, this figure will rise substantially and new production levels will soon be achieved.

—M. T. STEWART
*Commercial Counsellor, Mexico City.*

# **Financial Incentives** *for German Exporters*

*Here is a comprehensive description of the financial assistance for exporters provided by the West German Government as part of its export drive.*

IAN V. MACDONALD, *Assistant Commercial Secretary, Bonn.*

WEST GERMANY'S DRIVE to expand its vital export trade includes a number of government measures to encourage exporters. Attracting growing attention both inside and outside Germany, this assistance to exporters is given chiefly in the form of lower taxes on export earnings, and government guarantees and credits. There are no direct export subsidies.

## Importance of Export Credits

Most valuable to the German exporter who is short of capital is the financing of long-term export credits through the Export Credits Corporation (Ausfuhrkredit A.G., AKA) a consortium of 28 West German and Berlin banks formed under the leadership of the Rheinisch-Westfaelische Bank. This organization finances both exports and services sold to foreign customers under two lines of credit:

A—its own credit line for credits of from 12-48 months, extended in agreement with the exporter's bank;

B—the credit line of the German Central Bank (Bank Deutscher Laender) which amounts to a rediscount promise for export credits of six to 24 months (medium term) and 25 to 48 months (long term).

The long-term credit is granted to the exporter on the strength of a general or specific rediscount promise by the Bank Deutscher Laender. Maximum rate of interest for the A line of credit is 8 per cent, and the present rate is 7 per cent. The corresponding rates for the B type of credit are 7½ per cent and 5½ per cent, respectively.

## Conditions for Obtaining Credit

- Credits are available to finance firmly contracted business transactions or agreements for the provision of services. It must be shown that there is a credit demand for a period of at least six months. The financing of consignment stocks abroad by means of these credits is not permitted.
- Credits are possible only when the exporter is not in a position to finance through other channels.
- Payment terms to the foreign purchaser should correspond in principle to those prevailing in the market and the purchaser should not be granted unduly favourable prices or payment terms merely because of the export credit facilities.
- A suitable agreement for repayment must be obtained from the foreign buyer.

Financing of export transactions, including other than official sources of credit, may extend to 80 per cent of the export invoice value and should be related to the essential production expenditures—for example, cost of materials, wages, and overhead. The German exporter is charged with the full cost of the credit, plus any extra charges which may arise.

## Credits to Many Countries

Customers in many lands have benefited from the extension of easier credit terms to German exporters supported by the AKA. The table on page 26 is taken from the 1952 annual report of the company and demonstrates the extent of its operations. It should be noted that neither the A nor B ceiling of DM270 million and DM600 million, respectively, was fully utilized, reportedly because of the high cost of the credit and its restricted duration. Only a small proportion of applications were refused. At present, however, the B quota is completely taken up.

## Guarantees against Currency Risks

The Hermes Credit Insurance A.G. was established by the German Federal Government to underwrite guarantees and sureties between German exporters and foreign purchasers. The guarantees extended to the exporter cover the following types of risk: manufacturing loss through cancellation, market loss from economic and political developments (war and embargo risk, moratorium), and blocking and delays in the settlement of clearing and payment agreements. Losses of exchange are not covered, with the exception of losses arising from the transfer of amounts paid over clearing accounts and resulting from currency devaluation by the importing country.

## Credits Granted by the German Exports Credit Corporation (AKA) by Areas and Countries

The 451 credit contracts which were running on March 31, 1953, were distributed among the various foreign markets as follows:

| | *A—Credits*<br>*DM* | *B—Credits*<br>*DM* | *Total*<br>*DM* |
|---|---|---|---|
| EPU countries | 22,608,000 | 161,080,261 | 183,688,261 |
| Sterling area | 29,815,700 | 60,366,461 | 90,182,161 |
| Offset account countries | 61,984,000 | 165,337,917 | 227,321,917 |
| Dollar countries | 13,035,000 | 51,338,370 | 64,373,370 |
| Various countries collective credits | ........ | 68,895,443 | 68,895,443 |
| Total | 127,442,700 | 507,018,452 | 634,461,152 |

Out of these credits, the engagements of the following countries are specially worth mentioning:

| | *A—Credits*<br>*DM* | *B—Credits*<br>*DM* | *Total*<br>*DM* |
|---|---|---|---|
| Argentina | 55,666,500 | 67,183,563 | 122,850,063 |
| Brazil | 108,100 | 43,102,482 | 43,210,582 |
| India | 7,354,900 | 16,546,859 | 23,901,759 |
| Mexico | 7,000,000 | 17,347,859 | 24,347,859 |
| Sweden | 2,021,000 | 23,920,604 | 25,941,604 |
| South Africa | 18,554,900 | 28,126,443 | 46,681,343 |
| Turkey | 10,728,800 | 17,598,473 | 28,327,273 |

In the cases of Argentina, Brazil and Turkey, the engagements are increased by legally binding financing promises as follows:

| | *A—Credits*<br>*DM* | *B—Credits*<br>*DM* | *Total*<br>*DM* |
|---|---|---|---|
| Argentina | 6,600,000 | ........ | 129,450,000 |
| Brazil | ........ | 2,000,000 | 45,210,582 |
| Turkey | 12,000,000 | 3,470,000 | 43,797,273 |

Average value of credits under A ceiling was DM2·65 million, and under the B ceiling, DM1·25 million, reflecting the fact that the credits have been issued for the most part for large export contracts, especially for the export of machinery, electrical equipment, tractors and other vehicles. Value of export shipments partly financed by the AKA to March 3, 1953, totalled DM1,309 million.

The breakdown by major industries was as follows:

| *Industrial Branch* | *A—Credits*<br>*DM* | *B—Credits*<br>*DM* | *Total*<br>*DM* |
|---|---|---|---|
| Construction | ........ | 2,400,000 | 2,400,000 |
| Chemicals | 1,536,000 | 62,934,000 | 64,470,000 |
| Printing and paper | ........ | 2,857,000 | 2,857,000 |
| Iron, sheet and metal goods | ........ | 10,700,977 | 10,700,977 |
| Electrical equipment | 865,000 | 125,727,000 | 126,592,000 |
| Vehicles | 89,716,000 | 74,647,305 | 164,363,305 |
| Optical and precision industries | 875,000 | 7,681,600 | 8,556,600 |
| Glass and ceramics | 539,000 | 1,355,500 | 1,894,500 |
| Wood | ........ | 2,795 | 2,795 |
| Leather production | ........ | 170,000 | 170,000 |
| Machinery | 29,045,700 | 171,333,975 | 200,379,675 |
| Non-ferrous metals | ........ | 1,200,000 | 1,200,000 |
| Shipbuilding | ........ | 19,385,000 | 19,385,000 |
| Steel construction | 3,639,000 | 1,734,800 | 5,473,800 |
| Stones and earths | ........ | 433,500 | 433,500 |
| Textiles | ........ | 385,000 | 385,000 |
| Food processing and stimulants | 1,227,000 | 4,990,000 | 6,217,000 |
| Iron and steel | ........ | 19,080,000 | 19,080,000 |
| Total | 127,442,700 | 507,018,000 | 634,461,152 |

The receiver of this insurance must himself cover from 15 to 50 per cent in the case of economic risks and from 10 to 40 per cent in the case of political risk. Self-financing of transfer risks was recently fixed at 10 per cent. Fees to be paid to the Hermes Company amount to 1·5 per cent of the invoice value. The maximum established for export guarantees has increased from DM120 million (1949) to DM4 billion (June 1953).

### Exempt from Turnover Tax

As in many other countries, in Germany the final export sale to foreign customers is not subject to taxation on turnover. Moreover, both the trader and the exporting manufacturer are eligible to receive a refund on taxes paid on previous turnover of the goods exported.

- The export trader is entitled to apply for a refund of the turnover tax included in the price paid to the export manufacturer. The rebate amounts to 4 per cent for all products with the exception of fats, milk, sugar, semolina, etc., for which the rebate is 3 per cent, and grain, flour, bran and confectionery, with a rebate of 1·5 per cent.

- The export manufacturer is eligible to receive a refund on turnover taxes paid in former stages of processing. The rebate is specified as follows:

| *Stage of Processing* | *Rebate in per cent* |
|---|---|
| Raw materials | 0·5 |
| Semi-finished goods | 1 |
| Finished goods——components | 2 |
| Finished goods—final products | 3 |

The export trader may also obtain this export refund provided that the goods are not further altered before export.

In all cases the refunds are subject to numerous conditions which exclude minor transactions and ensure that the purpose of the law is observed.

### Tax-free Reserves and Tax Exemptions

The export promotion laws allow exporters to establish a *tax-free reserve* deducted from taxable income up to 3½ per cent of the gross value of export sales. Each year for the following ten years, 10 per cent of this reserve fund becomes liable to income tax.

More important are income tax exemptions which are granted as follows:

| TYPE OF TRANSACTION | *Amount deductible from income* | *Tax-free reserve* |
|---|---|---|
| *Export deliveries by trader,* components *and* final products | 1¼ per cent | 1¼ per cent |
| *Export deliveries by manufacturer* | | |
| (*a*) components | 3 “ “ | 3 “ “ |
| (*b*) final products | 3½ “ “ | 3½ “ “ |
| *Landings of fish at foreign ports* | | |
| (*a*) unprocessed | 3 “ “ | 3 “ “ |
| (*b*) final products | 3½ “ “ | 3½ “ “ |
| *Deliveries by manufacturer to export trade* | | |
| (*a*) components | 3 “ “ | 3 “ “ |
| (*b*) final products | 3½ “ “ | 3½ “ “ |
| *Transit deliveries* | | |
| (*a*) uninterrupted | 10 “ “ | ... |
| (*b*) interrupted | 6 “ “ | .... |
| *Processing transactions for foreign accounts* | 4 “ “ | ... |

Under the income tax law, the total of deductions for the income tax reserve and exemptions is limited to 50 per cent of the profit the firm has realized during the year.

### Foreign Exchange Incentives

Less than two years ago the import bonus rights which accrued to German exporters to dollar countries could be sold to importers at a premium as high as 15 per cent, despite the fact that types of commodities which could be imported under this scheme were restricted. However, by late 1953 the premium had fallen to about 2 to 3 per cent, and on December 31, 1953, the rights were abolished. The only exchange incentive still in operation is a foreign exchange operating fund, whereby 4 per cent of the gross proceeds from export sales may be used by the exporter for imports proved to have a beneficial effect on the firm's exports.

### Future Developments

Economics Minister Erhard has stated repeatedly that subsidies and export promotion measures falsify natural competitive conditions and that they should be eliminated on an international scale as soon as possible. He stated recently that wherever the Government had become the most important factor in competition, true efficiency was seriously endangered. On the other hand, there is no doubt that a substantial part of the German export trade believes that increased assistance to exporters, in the form of longer, lower cost credits and income tax relief, is desirable and even essential if Germany is to offer terms comparable to those granted by other modern industrial nations.

Whatever the future may hold, it is probably unwise to attribute great significance so far to the role of German financial export incentives. Germany's postwar export successes stand on much firmer ground than the superficial support which these aids provide.

---

## Index to "Foreign Trade"

*The index to "Foreign Trade" from July 4, 1953, to the end of January 1954, issues No. 340-370, is now available. If you would like a copy, write to "Foreign Trade," Information Branch, Department of Trade and Commerce.*

# commodity notes

### Argentina

RAILWAY RAILS—A Tokyo newspaper article states that the Japanese firm "Yawata" has undertaken to supply Argentina with railway rails valued at $5½ million, taking in return wheat and wool on the basis of ruling international prices—Buenos Aires, May 5.

COAL—Further exploration in the Rio Turbio coal fields, already under extensive development, have increased the known reserves of coal by a further 10 million metric tons, bringing them up to 360 million metric tons—Buenos Aires, May 4.

### Australia

MUTTON—Private traders in Australia have shipped 1,500 tons of mutton to Russia during the present fiscal year which ends June 30th. These shipments were part of the 4,000 tons which Australia has the right to sell each year on the open market under the terms of the U.K.-Australian meat agreement—Sydney, May 1.

### Brazil

CODFISH—In the first three months of 1954 the following codfish imports arrived at the Port of Santos: Norway, 2,005,105 kilos; Iceland, 880,937 kilos; Denmark, 540,985 kilos; Canada, 134,939 kilos; Netherlands, 3,480 kilos, a total of 3,565,446 kilos. Although the greater part of Canadian codfish sales to Brazil are traditionally made in the north, it is interesting to note that some fish has been delivered for consumption in São Paulo State and the south—São Paulo, May 15.

### Chile

BEET SUGAR—A sugar beet factory at Los Angeles, erected under the supervision of German technicians, began operations in April. Sponsored by the Chilean Development Corporation, the plant cost about 400 million Chilean pesos, plus US$3 million spent to buy German machinery. Some three million hectares of sugar beets have been sown in the province of Bio-Bio to supply the new factory. Later, two more plants will be built, with the object of producing altogether about 60 thousand tons of sugar a year, out of Chile's total consumption of 250 thousand tons, at present imported from the dollar area—Santiago, May 8.

### Cuba

MANGOES—Export of mangoes to the United States has begun, following negotiations which resulted in the removal of the standing U.S. ban on imported mangoes which were believed to be pest-carriers. This tropical fruit will now come closer to the Canadian consumer. The export season began on April 15th and a range of eight varieties has been approved for export. The Cuban authorities look to the consolidation of a steady export market for this fruit in the United States and Canada—Havana, May 13.

### El Salvador

COTTON—El Salvador's 1953-54 cotton crop totalled 233,979 quintals, with a value of C19 million. Of this, 163,002 quintals with a value of C14,631,922 have been exported to date. The buyers, in order of importance, were Germany, Netherlands, Britain, Japan, Spain, Honduras, Italy and Sweden.
Another C3 million worth of cotton destined for export was destroyed by fire in the warehouses of the Cooperativa Salvadorena at Soyapango. The Cooperativa did not suffer any loss because the stocks were insured—Guatemala, May 6.

### Israel

PLASTIC YARN—A factory, financed largely with United States capital and believed to be the first of its kind in Israel, recently began to produce plastic yarn for the manufacture of insect screening nets, luggage, upholstery, cloth, ropes and military camouflage nets. The present capacity of the plant is stated to be 200 tons of yarn a year. Export markets are expected in Turkey, Italy and South Africa—Athens, May 12.

### Philippines

SUGAR—The Philippines Sugar Quota Administration forecasts a bumper sugar crop for the 1953-54 production year. Output is estimated at 1,367,000 short tons, some 107 thousand short tons more than required for domestic and export quotas. The export quota for the United States is about 950 thousand short tons, the domestic quota some 280 thousand short tons. Export quota for markets other than the U.S. is approximately 27,500 tons. This record sugar production is the result of favourable weather and absence of typhoons—Manila, May 4.

### South Africa

OYSTERS—South African experiments in oyster culture in the Knysna Lagoon, Cape Province, have proved successful, especially those with an imported Portuguese oyster. This oyster grows to maturity in 18 months, a more rapid rate than in European waters. Testing of domestic strains has not been concluded but one species with a particularly good flavour offers excellent possibilities—Cape Town, May 12.

### Spain

ALUMINUM—The "Empresa Nacional del Aluminio," an organization in which the Spanish Government has a controlling interest, reached a production of 3,000 metric tons of aluminum ingot in 1953. This year, with new equipment being installed, it hopes to increase annual output to 7,000 metric tons—Madrid, May 7.

### Sweden

AUTOMOBILES—A total of 89,655 automobiles was sold in Sweden during 1953, as compared with 63,910 in 1952. This raised the number of registered automobiles and trucks to 543 thousand, of which about 80 per cent are private cars, 19 per cent trucks and about 1 per cent buses. Of the 79 types sold, the most popular were Volvo (Swedish), Fod, Volkswagen (German), Opel and Morris—Stockholm, May 5.

### United States

SHOES—Maine's shoe industry jumped to sixth place in the U.S. industry in 1952 and present estimates indicate that it achieved fourth position last year. During 1952 Maine shoe factories turned out 37,917,000 pairs of shoes valued at $125 million, and the industry recorded an increase in output of 15·5 per cent, as compared with a national increase of 8·3 per cent. Rate of increase for the New England area was 11·2 per cent. During 1952 the leading shoe-producing states in order were Massachusetts, New York, Missouri, Pennsylvania, New Hampshire and Maine—Boston, May 19.

TACONITE—Eighteen thousand long tons of taconite pellets tumbled down the chutes of the loading docks at Two Harbors, Michigan, on April 19th. The shipment was bound for Toledo, Ohio, where it will be smelted much like the rich Mesabi ore that has until now been the main cargo for Great Lakes ore carriers.

Taconite is a hard red rock that underlies iron ore deposits. It contains iron but the problem has been to get it out economically. This now can be done by grinding and magnetic separation. The pellets obtained contain 63 per cent iron in comparison with the 52 per cent in Mesabi ore. Though the nation's rich iron ore reserves are limited, there are virtually endless amounts of taconite. This shipment of taconite came from the Reserve plant at Babbitt, an old iron-mining town that was abandoned when its ore ran out—Detroit, May 21.

### Venezuela

CANADIAN HOGS—The first half of an initial order of 660 head of weanling pigs from Canada has arrived in Venezuela by chartered aircraft. The animals were in excellent condition despite their 15-hour flight and received favourable comment. The order was placed by the Ministry of Agriculture and Livestock for re-sale at cost to commercial producers, with the exception of a few purebreds which were sent to government farms. The shipment consisted mostly of Berkshires and Tamworths with perhaps 20 per cent Yorkshires, although the latter breed is not too popular in Venezuela as it is considered to be more susceptible to sunburn and heat fatigue—Caracas, May 17.

### West Germany

ALUMINUM—Germany's 1953 production of raw aluminum amounted to 107 thousand tons, exceeding that of 1952 by 6 per cent. According to the industry's trade paper, the favourable trend in costs enabled the aluminum foundries in mid-June 1953 to reduce their selling price and, at the same time, reintroduce the delivery term "free consumer's plant" which was formerly in use.

The semi-finished light metal goods industry established another postwar record with production of 105,355 tons of semi-finished articles made of aluminum and aluminum alloys (including "Leitaluminum"). This exceeded 1952 production of 90,317 tons by 16·7 per cent (90,317 tons), and that of 1951, the previous record year, by 10 per cent.

The production by smelting plants of reclaimed aluminum (pure aluminum and aluminum alloys) lagged behind that of 1952 by almost 7 per cent and amounted to approximately 42,450 tons. The annual production figure of the foundries (castings of aluminum and aluminum alloys) is not available yet but here again a steady upward trend can be expected—Bonn, May 26.

# Dairy Cattle for the Northeastern States

*Last year Canada supplied over 35 thousand head of dairy cattle to the eleven Northeastern States, and indications are that this market will hold up well in the current year.*

W. L. PORTEOUS, *Assistant Agricultural Secretary, Washington.*

DURING THE WAR, Canadian farmers began to take advantage of an active market for dairy cows in the United States and sales have continued in the postwar years. The outbreak of foot and mouth disease in Saskatchewan prevented shipments for ten months of 1952, but exports were resumed in volume in the ten months of 1953 after the embargo was lifted.

Most of this trade in dairy cattle is carried on between eastern Canada and the eleven Northeastern States. Canadian export statistics show that approximately 41 thousand head were exported to the United States in 1953, and United States Department of Agriculture sources indicate that 35 thousand entered the eleven Northeastern States. Some interesting market developments have taken place in this area and further adjustments seem likely throughout 1954.

## Imports from Canada

The Crop Reporting Board of the U.S. Department of Agriculture estimates that Canada supplied the Northeastern States with 35,067 dairy cattle, which was equal to 40 per cent of the "out-of-state" inshipments, in 1953 (see Table I). This was double the number supplied in 1940 but far below the record of 94,848 established in 1948. New York State took over 12 thousand head and Vermont almost 10 thousand, to account for about three-fifths of the total last year.

Canada's chief competitors in this market are locally-raised cattle which move inter-state and shipments from Ohio, Michigan, Wisconsin, and Minnesota. To a large extent, however, Canada has replaced these four as a source of supply for the Northeastern States. They provided 27·5 per cent of the dairy cattle going to those destinations in 1940 and 12·6 per cent in 1953. During the same period, Canada's share increased from 17·4 to 39·9 per cent. Approximately the same percentage of cattle was obtained from within the area in both years.

Although imports are important in terms of numbers, they provide only a small proportion of the annual replacements. Net inshipments in 1953 provided 3·5 per cent of the replacements—less than half the average for the past ten years. In 1948 a record of 12·3 per cent of the replacements for dairy herds came from inshipments and 58 per cent of these were from Canadian sources. Some 928 thousand head of dairy cows and heifers were culled from herds in the Northeast in 1953—124 thousand head, or 15 per cent more than in 1952. The number culled represented 18 per cent of the number of milk cows and heifers one year old and over, a rate equal to the 1941-50 average.

## Prospects for 1954

Two recent decisions may have a considerable effect on the market for dairy cattle in the Northeastern States. On April 1 Secretary of Agriculture Benson cut the price supports on dairy products from 90 to 75 per cent of parity. With continuing ample supplies in prospect, this will probably result in some reduction in the income of dairy farmers compared with the

### TABLE I

**"Out-of-State" Dairy Cattle Shipped into 11 Northeastern States by Area of Origin, 1940-53**

| *Year* | *Eleven Northeastern States* | *Canada* | *Ohio, Michigan Wisconsin Minnesota* | *All Other States* | *Total* |
|---|---|---|---|---|---|
| 1940-44 | 51,779 | 29,667 | 24,319 | 5,787 | 111,552 |
| 1945-49 | 43,318 | 69,823 | 23,428 | 3,858 | 140,427 |
| 1950 | 48,602 | 55,463 | 13,789 | 3,004 | 120,858 |
| 1951 | 46,716 | 47,142 | 13,647 | 4,285 | 111,790 |
| 1952 | 41,267 | 5,962 | 14,155 | 5,558 | 66,942 |
| 1953 | 37,331 | 35,067 | 11,085 | 4,368 | 87,851 |

Source: "Interstate Movement of Dairy Cattle"; USDA, AMS, March 1953.

## TABLE II

### Costs and Returns on Selected Central Northeast Commercial Family-Operated Dairy Farms, 1953, with Comparisons

| *Item* | *Unit* | 1947-49 | 1951 | 1952 | 1953 |
|---|---|---|---|---|---|
| Gross farm income | Dollar | 8,822 | 10,065 | 9,820 | 8,826 |
| Total farm expense | " | 4,930 | 5,590 | 6,038 | 5,965 |
| Net farm income | " | 3,892 | 4,475 | 3,782 | 2,861 |
| Total charge for capital | " | *1,041* | *1,308* | *1,474* | *1,403* |
| Charge for real estate capital | " | 459 | 513 | 565 | 566 |
| Charge for working capital | " | 582 | 795 | 909 | 837 |
| Return to operator and family for labour and management | " | 2,851 | 3,167 | 2,308 | 1,458 |
| Operator-family purchasing power (1937-41 dollars) | " | 1,447 | 1,466 | 1,059 | 669 |
| | | Index numbers (1947-49=100) | | | |
| Net farm production | | 100 | 113 | 113 | 113 |
| Prices received for products sold | | 100 | 103 | 101 | 90 |
| Prices paid including wages to hired labour | | 100 | 106 | 114 | 109 |
| Production per unit of input | | 100 | 104 | 102 | 100 |

Source: "The Dairy Situation"; USDA, AMS; March 1953.

## TABLE III

### Canadian Exports of Dairy Cattle to the U.S. 1947-53

| | 1947-49 | 1950 | 1951 | 1952* | 1953* |
|---|---|---|---|---|---|
| | | NUMBER | | | |
| Pure-bred cattle | 31,128 | 22,726 | 18,948 | 2,357 | 19,620 |
| Dairy cattle (200-700 lb.) | 121 | 584 | 456 | 26 | 106 |
| Dairy cattle (over 700 lb.) | 59,475 | 46,459 | 36,881 | 5,062 | 21,647 |

---

* Because of the outbreak of foot and mouth disease, shipments were limited to two months in 1952 and ten months in 1953.

1953 levels. Table II indicates clearly what has happened to dairy farm income since 1947. It shows also the small reduction in output made in response to the lower prices received for dairy products. Since other alternative farm enterprises in the area are not likely to be any more attractive, farmers will look with more favour in 1954 on the continuous income from the sale of milk.

The second decision of the Department is to launch a nation-wide educational program to increase the rate of culling of low-producing dairy cattle. Some experts say that culling has been below normal because of low beef prices. If beef prices strengthen as predicted, the program may have a fair chance of success.

An indication of the recent pattern of Canadian exports is given in Table III. The trade statistics do not distinguish between pure-bred beef and dairy cattle but it is assumed that the latter are in the majority. It is interesting to note that this apparently is the more stable component of total exports. Exports of pure-bred cattle decreased 37 per cent between 1947-49 and 1953 but other dairy cattle decreased by 64 per cent.

It is probable that 1954 as a whole will see a good though selective market for Canadian dairy cattle. Irrespective of lower dairy price supports and a weakened economic position, most farmers will remain in business. However, because of high operating costs they will be looking for high-producing cows in an attempt to improve their profits. Dairy cow numbers in the United States began increasing in the last half of 1952 and in the past, the average quality and milk production per cow has decreased when numbers increased. In the current upturn the average production per cow has steadily increased. This trend is likely to continue and farmers will show less interest than before in below-average and average producers.

*In 1953, nearly 260 thousand United States firms gave away 12·5 billion books of matches at a record cost of $27 million. According to the match industry's information bureau, 500 billion matches were used during the year, about half of which were book matches. The 500 billion total represents 3,333 matches per capita, a figure that is surpassed slightly by per capita cigarette consumption. One out of every 15 of the country's business establishments put its messages on match books, and nine out of ten books were distributed free. Because of the giveaway habit, the average American spent only 31 cents for matches last year.*

# trade and tariff regulations

## Austria

CHANGES IN TARIFF REDUCTIONS—Effective May 9, Austria revised its list of goods on which customs duties are temporarily reduced or suspended. A notice concerning the Austrian list of tariff reductions established for January to June, 1954, was published in *Foreign Trade* of February 20, 1954.

Among these changes, the duties on rye and barley are no longer suspended, but the Austrian Minister of Finance is now authorized to reduce or suspend the duties on these commodities in individual cases in so far as this is required to avoid disturbances in the price structure. Further, a provision was cancelled under which duties on machinery and apparatus not manufactured in Austria had been temporarily limited to 8 per cent of their landed value.

## Barbados

IMPORT LICENSING ANNOUNCEMENT—The Controller of Supplies, Barbados, has announced that, effective March 23, an Open General Licence has been granted to import the following additional goods from any country:

Newsprint
Kraft paper
Cheese
Powdered and canned milk
Split peas
Meat (excluding pickled pork)
Canned fish (excluding pilchards and salmon)

Canned pilchards will be placed on Open General Licence on July 1, 1954, and canned salmon on October 1, 1954.

The items previously announced to be on Open General Licence are:

Fish, dried, smoked, pickled and salted
Onions
Potatoes
Animal feedingstuffs, excluding coconut meal, cotton seed meal, wheat and wheat flour.

The licence is granted on condition that the importer or consignee shall be required to produce a certificate of origin for such imports, and that approval of the Financial Secretary shall be obtained, prior to importation of the goods, where payment is to be made to a country other than the country of origin of the goods.

## Benelux

DOLLAR IMPORTS SIGNIFICANTLY FREED—It is understood that effective June 1, Belgium, the Netherlands and Luxembourg have instituted a common policy for imports from the dollar area. As a result, the number of products which may be freely imported into these countries from the dollar area has been considerably increased.

Complete details of the goods freed from controls or an assessment of the likely effects of the measure on Canadian exports are not yet available. It is reported that the Benelux countries have established a common list for dollar imports under which dollar goods may now be imported on the same basis as goods originating in Western Europe.

Since the Netherlands had been restricting most dollar imports, except a limited number of essentials, the adoption of the common import policy with her Benelux partners represents a very significant advance in opening this market for imports from Canada and other countries in the dollar area.

It is expected that a full report on this measure will be available for publication in the next issue of *Foreign Trade* which will be a special issue devoted to business conditions in Europe.

## Colombia

CONSULAR REQUIREMENTS SUSPENDED—Colombian Decree No. 867 regarding consular requirements was suspended on May 19 by authority of Decree No. 1572.

It is understood that new regulations will be proclaimed after July 1, 1954.

## Denmark

TRADE WITH DOLLAR AREA—Shortly after the Danish Government announced that import restrictions from dollar countries would to a certain extent be alleviated, it was decided to reduce the number of countries to which the Danish dollar export bonus scheme applies. Applications for the import of raw materials or semi-manufactured goods from the dollar area will now be approved if the prices of competing articles originating in non-dollar countries are more than from 8 to 10 per cent higher than the dollar equivalents. The dollar export bonus scheme will now only apply to actual exports to dollar countries—i.e., countries situated on the American continents, their dependencies and the Philippines—Oslo, May 24.

## Greece

CUSTOMS TARIFF REVISED—A number of revisions have been made in the Greek customs tariff. Among these changes, new tariff definitions have been established for a number of commodities resulting in some cases in changing the rates of duty applicable to them. For example, duties have thus been reduced on used tires for reconditioning, scrap of copper alloys, waterproofed paper in rolls for wrapping wire and paper for making containers for Greek products. On the other hand, increases have been made in the duties on various articles, including elastic ribbons and fabrics of synthetic fibres, ethylene glycol and cellulose preparations for building work.

Many of the revisions are 50 per cent increases in specific duties restoring these duties to their former levels before Greece devalued its currency on April 9, 1953. Among the items thus increased, the following appear to be of interest to Canadian exporters: canned sardines; canned lobsters; wheat flour; preserved fruits and vegetables; linseed oil; plywood boards; furniture wood of plywood; barrel staves; parquet planks; bolts and nuts for assembling machines; washing machines; aluminum in bars, plates, sheets, foil, pipes, special forms for further working, and aluminum utensils; binder twine; hat shapes of felt; spectacles and frames of metals and synthetic plastic materials.

Further, advertising material printed in a language other than Greek was made subject to a duty of about 14 cents per pound. Hitherto advertising matter in small quantities had been admitted into Greece duty-free.

Another Greek measure, effective March 23, allows machinery, spare parts, accessories and mechanical equipment imported by mining undertakings to be imported at one-half of the normal duties and other taxes—Athens, May 10

*Detailed information as to tariff revisions on individual items may be obtained from the International Trade Relations Branch of the Department.*

## Grenada

LICENSING ANNOUNCEMENT—The Control Authority in Grenada recently announced that an Open General Licence has been granted to import the following goods from any country:

Meat
Fish, dried, smoked, pickled and salted
Cheese
Animal feeding stuffs
Powdered and canned milk
Canned fish
Onions
Potatoes
Split peas
Newsprint
Kraft paper

## Ireland

IMPORT CONTROLS—By four quota orders, issued under the Control of Imports Acts 1934 and 1937, the Government of the Republic of Ireland has announced additional quotas as follows:

*Certain electric filament lamps (100-250 volts 1/1500 watts):* 50,000 articles, as against a similar quantity for the previous six months.

*Certain woven cotton piece goods:* 1,520,000 square yards, as against 1,170,000 square yards for the previous six months.

*Certain woven cotton piece goods:* 2,400,000 square yards, as against 1,910,000 square yards for the previous six months.
The quota period fixed in all of the above cases extends from June 1, 1954, to November 30, 1954.

*Certain woven cotton piece goods:* 50,000 square yards, as against a similar quantity for previous six months' quota. The quota period fixed in this case is from June 1, 1954, to May 31, 1955—Dublin, May 12.

## Netherlands

IMPORTS OF OILS, FATS AND OILSEEDS RELEASED—On May 9, 1954, the Netherlands Government returned the imports of oils, fats and oilseeds to private traders. In addition to private imports, a temporary arrangement provides for the possibility of purchasing these products from stocks held by the Government in order to balance supply and demand during the transition period. Purchases intended for export will, however, be subject to quantitative restrictions. This temporary arrangement will be effective until August 22, 1954.
This release of imports will not apply to linseed and linseed oil, for which a special arrangement will remain in force for the present—The Hague, May 20.

## United States

DUTY ON PICKETS USED IN PRODUCTION OF WINDOW SHADE ROLLERS—A decision of the United States Court of Customs Appeals, C.A.D. 555, published in weekly *Treasury Decisions* of May 6, 1954, upheld the Customs Court finding that certain pieces of wood, invoiced as "pickets", and sawn to sizes one inch by one inch by 18 to 44 inches, squared at the ends and to be used in the production of window shade rollers, were entitled to entry free of duty as "pickets" under tariff paragraph 1805.

*The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.*

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·01878.

# foreign exchange rates

| Country | Unit | Type of Exchange | Canadian dollar equiv. May 28 | Notes (See below) |
|---|---|---|---|---|
| Argentina | Peso | Preferential buying | ·1309 | |
| | | Basic buying | ·1963 | |
| | | Preferential selling | ·1963 | (1) |
| | | Basic selling | ·1309 | |
| | | Free | ·07065 | |
| Austria | Schilling | | ·03775 | |
| Australia | Pound | | 2·2130 | |
| Belgium Luxembourg & Belgian Dependencies | Franc | | ·01958 | |
| Bolivia | Boliviano | Official | ·00517 | |
| British West Indies | Dollar | | ·5763 | (3) |
| | Pound | | 2·7663 | (4) |
| | Dollar | Brit. Honduras | ·6915 | |
| Brazil | Cruzeiro | Official selling | ·05215 | tax 8% |
| | | Effective buying | ·03461 | (2) |
| | | Coffee buying | ·04202 | (5) |
| Burma | Kyat | | ·2061 | |
| Ceylon | Rupee | | ·2075 | |
| Chile | Peso | Official | ·00892 | (1) |
| Colombia | Peso | Basic | ·3926 | |
| Costa Rica | Colon | Official | ·1748 | (6) |
| | | Controlled free | ·1478 | |
| Cuba | Peso | | ·9816 | tax 2% |
| Czechoslovakia | Koruna | | ·1363 | |
| Denmark | Krone | | ·1421 | |
| Dominican Republic | Peso | | ·9816 | |
| Ecuador | Sucre | Official | ·06544 | |
| | | Free | ·05674 | |
| Egypt | Pound | | 2·8186 | |
| Fiji | Pound | | 2·4921 | |
| Finland | Markka | | ·00427 | |
| France | Franc | | ·00281 | (7) |
| French Africa | Franc | | ·00561 | (8) |
| French Pacific | Franc | | ·01543 | (9) |
| Germany | D Mark | | ·2337 | |
| Greece | Drachma | | ·03272 | |
| Guatemala | Quetzal | | ·9816 | |
| Haiti | Gourde | | ·1963 | |
| Honduras | Lempira | | ·4908 | |
| Hong Kong | Dollar | Free | ·1707 | *May 14 |
| Iceland | Krona | Official | ·06027 | |
| | | Special buying | ·04641 | |
| | | Special selling | ·03739 | |
| India | Rupee | | ·2075 | |
| Indonesia | Rupiah | Basic | ·08610 | (10) |
| Iran | Rial | Certificate | ·01088 | |
| Iraq | Dinar | | 2·7484 | |

---

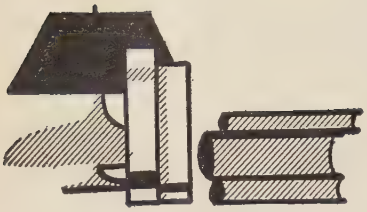
* Latest available quotation date.

| Country | Unit | Type of Exchange | Canadian dollar equiv. May 28 | (See below) Notes |
|---|---|---|---|---|
| Ireland | Pound | | 2·7663 | |
| Israel | Pound | Effective basic | ·9816 | |
| | | Premium | ·5453 | |
| Italy | Lira | | ·00158 | |
| Japan | Yen | | ·00273 | |
| Lebanon | Pound | Free | ·3067 | |
| Mexico | Peso | | ·07853 | |
| Netherlands | Guilder | | ·2595 | |
| Netherlands Antilles | Guilder | | ·5205 | |
| New Zealand | Pound | | 2·7663 | |
| Nicaragua | Cordoba | Effective buying | ·1487 | (11) |
| | | Official selling | ·1392 | |
| | | With Surcharge I | ·1219 | |
| | | With Surcharge II | ·09767 | |
| Norway | Krone | | ·1374 | |
| Pakistan | Rupee | | ·2967 | |
| Panama | Balboa | | ·9816 | |
| Paraguay | Guarani | Basic | ·06544 | (1) |
| | | With Surcharge I | ·04674 | |
| | | With Surcharge II | ·03272 | (12) |
| Peru | Sol | Certificate | ·05021 | |
| Philippines | Peso | | ·4908 | tax 17% (2) |
| Portugal | Escudo | | ·03426 | (13) |
| El Salvador | Colon | | ·3926 | |
| Singapore & Malaya | Straits dollar | | ·3227 | |
| South Africa (Union of) | Pound | | 2·7663 | |
| Spain & Dependencies | Peseta | Basic buying | ·04482 | |
| | | Basic selling | ·08748 | |
| | | Basic commercial selling | ·05976 | (1) |
| | | Free | ·02520 | |
| Sweden | Krona | | ·1897 | |
| Switzerland | Franc | | ·2290 | |
| Syria | Pound | Free | ·2739 | *April 9 |
| Thailand | Baht | Official | ·07853 | (1) |
| | | Free | ·04517 | *March 5 |
| Turkey | Lira | | ·3506 | |
| United Kingdom | Pound | | 2·7663 | |
| United States | Dollar | | ·9816 | |
| Uruguay | Peso | Official | ·6462 | |
| | | Basic buying | ·5514 | |
| | | Special buying | ·4177 | (1) |
| | | Basic selling | ·5166 | |
| | | Special selling | ·4006 | |
| Venezuela | Bolivar | | ·2930 | (14) |
| Yugoslavia | Dinar | | ·00327 | |

* Latest available quotation date.

# notes

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only; certain essential imports exempt.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Brazil: Effective import rate is official rate plus free certificate rate. Certificate rate varies according to commodity.
6. Costa Rica: Official rate applies to all Costa Rican exports.
7. Metropolitan France, Algeria, Tunisia, Morocco, French Guiana, Guadeloupe, Martinique.
8. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
9. New Caledonia, New Hebrides, Oceania.
10. Indonesia: Basic rate applies to all exports and essential imports. Rupiah value for other than essential imports is reduced by 33⅓ per cent, 100 per cent or 200 per cent depending on product.
11. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
12. Paraguay: Basic rate applies to most Paraguayan exports.
13. Approximately same rate for currencies of Portuguese Territories in Africa.
14. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.



# businessman's bookshelf

### The President's Program for a Foreign Economic Policy

*United States Council of the International Chamber of Commerce. 32 pages. 50 cents.*

CANADIANS who are interested in the views of an important cross-section of the U.S. business community on the President's program for a foreign economic policy will find this booklet illuminating. On the left-hand pages the text of the President's message to Congress appears, section by section; on the right-hand pages, the comments of the U.S. Council on that program. The Council supports the program wholeheartedly but believes that, at certain points, it does not go far enough. For example, it believes that "Import quotas (on agricultural products) are fundamentally undesirable" and that "domestic agricultural support programs should be so operated as to minimize the need for import restrictions". Similarly, it opposes the "peril point" concept and thinks that "if the 'escape clause' must be retained, 'serious injury' should be redefined". Its views on U.S. investment abroad and on convertibility are set forth in considerable detail.

*Order from: U.S. Council, The International Chamber of Commerce, Inc., 103 Park Avenue, New York 17, New York.*

### Year Book and Guide to East Africa, 1954

*Edited by A. Gordon Brown. 436 pages plus appendix. $3.00.*

RECOGNIZED AS A STANDARD AND RELIABLE REFERENCE, this annual is a companion piece to the *Year Book and Guide to Southern Africa;* both are produced by the Union-Castle Mail Steamship Co. Ltd. The *Guide to East Africa* covers Kenya, Uganda, Tanganyika, Zanzibar, Nyasaland, Portuguese East Africa, the Sudan, Mauritius and, in less detail, Egypt, Eritrea, Somaliland, Ethiopia, Congo, Madagascar and Reunion. In his preface the editor notes the Federation of Northern and Southern Rhodesia and Nyasaland, approved in 1953, and says that in future issues Nyasaland will be transferred to the *Year Book and Guide to Southern Africa.*

Valuable for the prospective business or pleasure traveller, the *Guide to East Africa* also provides the casual reader with fascinating glimpses of these exotic countries. Its over 500 pages include sections on history, transportation, commerce, accommodation, agriculture, mining and an atlas in colour.

*Order from: H. W. Wilson Co., 950-972 University Avenue, New York 52, N.Y.*

### A Consumer Study of the Bermuda Market

*The Royal Gazette, Hamilton. 29 pages. Free.*

IN 1952, Canada found in Bermuda a market for over $3·1 million worth of goods, mainly whisky, foodstuffs, and wood products. That same year, Bermuda's total import bill was $24 million. This small but active market, swollen each year by thousands of tourists, is analyzed in this survey undertaken by the island's veteran newspaper, the *Royal Gazette*. Based on approximately a 1-50 sample of the 9,319 Bermuda households, it delves into family makeup, income classes (52·5 per cent are in the "middle income" group), buying habits, ownership of consumer durables, and so on. Canadian exporters, particularly those selling canned and packaged foods and household appliances, should find it helpful.

*Order from: The Royal Gazette, Hamilton, Bermuda.*

### The Colonies in Pictures

*Colonial Office and Central Office of Information, London. 103 pages. 50 cents.*

THE SPLENDID PHOTOGRAPHS which make up this booklet tell the story of the people, their problems and their progress in the British colonies in Africa, the Malay Archipelago, the Caribbean, on islands and at outposts. A good deal of information is packed into the brief captions. The *Colonies in Pictures* will interest everyone, but would probably be most useful in the classroom.

*Order from: United Kingdom Information Office, 275 Albert Street, Ottawa.*

E U R O P E

You can read a lot
about Europe.
News items here,
articles there.
Facts, opinions, speculation.
Plenty of material,
but scattered.

But *Foreign Trade* readers
can size up the whole picture.
The next issue reports
on business conditions
in fifteen European countries.
Reports by Canadians there
for Canadians here.

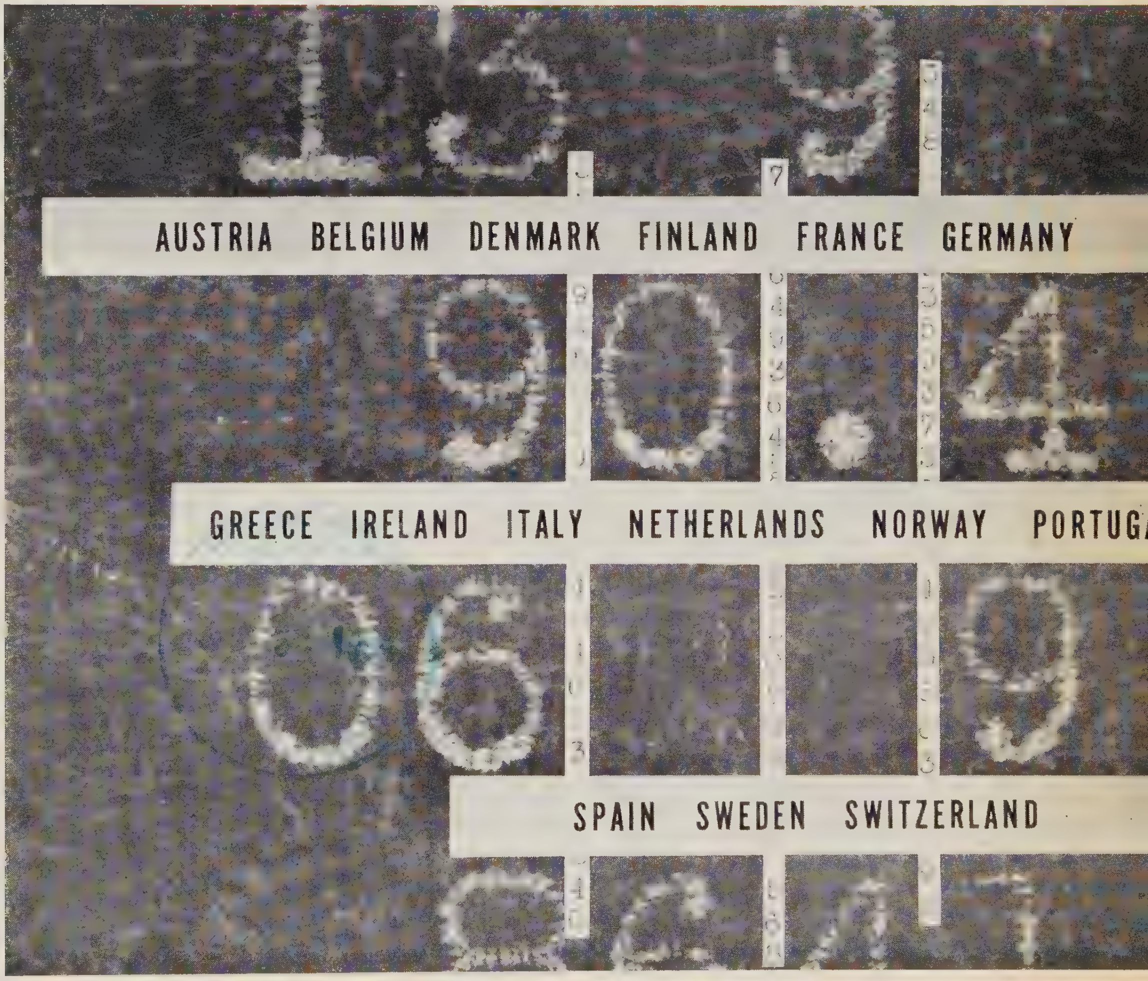
Read the June 26 issue
and all the pieces
will fit together.

JUNE 26, 1954

# foreign trade

ANADA

CHICAGO PUBLIC LIBRARY
DOCUMENTS DEPT.
78 E. WASHINGTON ST.
CHICAGO 2, ILL. U.S.A.
6C14239 4.5-80


AUSTRIA BELGIUM DENMARK FINLAND FRANCE GERMANY
GREECE IRELAND ITALY NETHERLANDS NORWAY PORTUG
SPAIN SWEDEN SWITZERLAND

## BUSINESS CONDITIONS in EUROPE—a Survey

2 Europe in the Past Twelve Months

Business Conditions in:

4 Austria
6 Belgium
8 Denmark
11 Finland
13 France
14 Germany
17 Greece
19 Republic of Ireland
21 Italy
23 Netherlands
25 Norway
28 Portugal
30 Trade Agreements with Spain and Portugal
31 Sweden
33 Switzerland
36 Trade and Tariff Regulations
35 Commodity Notes
38 Foreign Exchange Rates
40 General Notes

CANADA

# foreign trade

Established in 1904
Published fortnightly by the Department of Trade and Commerce.
The Right Honourable C. D. HOWE, Minister,
WM. FREDERICK BULL, Deputy Minister.

OTTAWA, JUNE 26, 1954, Vol. 101, No. 11

Please forward all subscriptions and orders to:
The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad.
Single copies: 20 cents each.

Material appearing in this magazine may be freely reprinted, preferably giving credit to "Foreign Trade".

**cover** Statistics naturally play a major role in our annual assessment of business conditions in Europe. Practically all the reports contain figures on commodity trade, on the percentage rise or fall in exports and imports, on balance of payments, on gold and dollar reserves. Our cover design therefore symbolizes the importance of statistics in appraising economic progress in Europe during the past year.

# Europe in the Past Twelve Months

*Trend toward freeing Europe's imports from dollar countries from restrictions has gained momentum recently, as exports to dollar area have risen and gold and dollar reserves have been strengthened.*

F. P. WEISER, *International Trade Relations Branch.*

FROM THE TRADING POINT OF VIEW, the most significant development in Europe over the last year was the freeing by a number of countries of many dollar imports—a development made possible by a large increase in European gold and dollar holdings.

Between January and September 1953, gold and dollars owned by European countries other than the United Kingdom increased by about \$1 billion to a total of some \$8½ billion—and the trend continues. The increase was greatest in Western Germany and the Netherlands, whose reserves now exceed \$1 billion. Switzerland, Belgium and France also have gold and dollar holdings of about the same size.

Several factors have contributed towards increasing Europe's reserves of convertible currencies. The trade deficit of European countries with the dollar area was reduced from about \$2 billion in the first nine months of 1952 to \$700 million in the corresponding period in 1953. This change reflects increased European exports to dollar countries as well as reduced imports from the dollar area. On the import side, increased industrial production in Europe and other non-dollar countries, plus good harvests, reduced Europe's dependence on dollar imports and provided it with alternative sources of supply. Many European countries retain strict controls on dollar imports. The shift in the trade balance was further aided by a development of the terms of trade in Europe's favour as prices of raw material imports declined in relation to prices of manufactured goods which Europe exports.

The dollar trade deficit of European countries in 1953 was approximately balanced by services rendered by these countries and paid for in dollars, such as earnings from tourists, military forces, transportation and similar services.

## Canada's Trade with Europe

Canadian exports to European countries, excluding the United Kingdom, totalled \$384 million in 1953. Canadian imports from Europe increased slightly—from \$152 million in 1952 to \$174 million in 1953. The European market absorbed 9·3 per cent of all Canadian exports, a proportion similar to that in 1938 and considerably higher than in 1949, when it amounted to less than 8 per cent. Imports from Europe, at 4 per cent of the total, reflect a steady postwar increase but they are still below the 5·9 per cent reached in 1938.

Wheat is traditionally Canada's leading export to Europe; other important exports include feed grains and raw materials needed by European industries, such as base metals, asbestos and wood pulp. Products of the Canadian chemical industries used for further manufacturing are entering Europe in increasing amounts, notably synthetic rubber and petro-chemicals. A wide variety of other Canadian manufactured goods were purchased by many European countries, particularly those which have liberalized dollar imports.

### Leading Countries in Canada's Trade with Europe

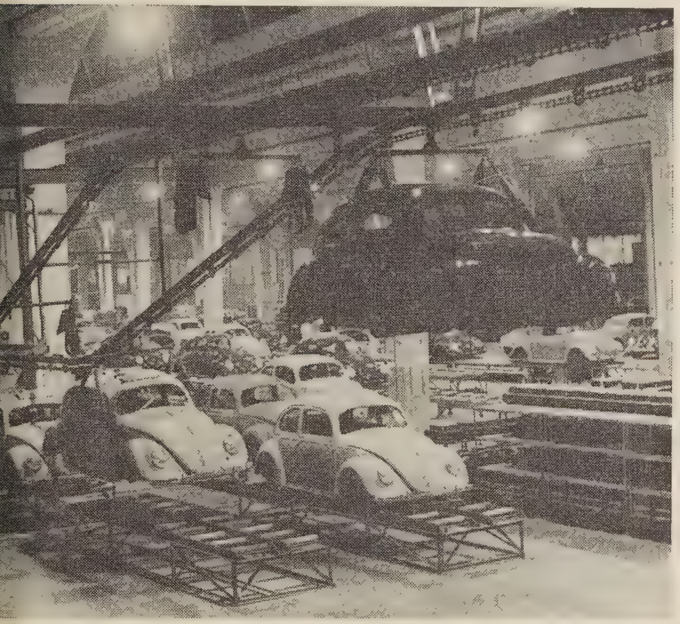
*(DBS statistics—in million dollars)*

| *Canadian Exports to:* | 1953 | *Canadian Imports from:* | 1953 |
|---|---|---|---|
| West Germany | 84 | West Germany | 36 |
| Belgium-Luxembourg | 70 | Belgium-Luxembourg | 29 |
| Netherlands | 42 | Netherlands | 22 |
| Norway | 37 | France | 22 |
| Italy | 33 | Switzerland | 20 |
| France | 32 | Italy | 14 |
| Switzerland | 30 | Sweden | 9 |

The industrial nations of Western Europe were Canada's main European trading partners again in 1953. Among these, Western Germany has replaced Belgium as Canada's chief European customer and the Netherlands has advanced into third place. Western Germany, Belgium and the Netherlands, in that order, are Canada's leading European suppliers. In addition to being our most important European trading partner, Western Germany was last year the fourth largest market for Canadian exports and the fourth most important supplier of imports into Canada. Canada's trade with the agricultural countries of Eastern Europe remained small.

## Relaxation of Dollar Import Restrictions

The improved dollar position of European countries is reflected in the liberalization of dollar goods imported into some of these countries. Switzerland continues to be one of the freest European markets for dollar goods, maintaining few import restrictions. Since February 1953, Belgium has admitted most dollar imports free from discriminatory restrictions. The Netherlands, which removed import controls from some essential dollar goods in October 1953, is now expanding its list of unrestricted dollar imports considerably, under a common policy with Belgium and Luxembourg. In addition to the goods on the common list, Belgium is also admitting various other dollar imports free from controls, on an autonomous basis. Western Germany liberalized various dollar imports in February 1954, including a number of goods of interest to Canadian exporters. Greece has expanded, during the last twelve months, its free import scheme introduced in April 1953. Most Canadian exports to Greece, except wheat and flour, may thus compete freely, provided dollars are available, regardless of their essentiality. Denmark continues to subject most dollar imports to licensing but has recently announced a new policy under which many imports will be admitted from the dollar area if their price is 8 to 10 per cent lower than that of similar non-dollar goods. In the past, Denmark has generally granted import licences for dollar goods only if similar commodities could not be obtained elsewhere.



*These cars coming off the assembly line at the Volkswagen plant in West Germany will go to swell the total of German exports. Last year West Germany replaced Belgium as Canada's chief European customer, exclusive of the United Kingdom, and became Canada's leading European supplier.*

## Competition Is Strong

European goods are competing with Canadian products to an increasing extent as a result of advances in the productivity of European countries and in their industrial reconstruction. In the past twelve months, subsidies granted to European exporters have declined as Western Germany and the Netherlands abolished their dollar incentive systems. France and Denmark are the only European countries still maintaining dollar retention schemes.

## OEEC and EPU

The Organization for European Economic Co-operation continued this past year to work towards expanding the economic strength and integration of European countries and increasing their trade. Its 17 member countries have now liberalized, on the average, over 75 per cent of their private imports from each other (based on the year 1948, with certain exceptions) compared with 71 per cent in June 1953. Six member countries have freed over 90 per cent of their OEEC imports.

Apart from its many strictly European endeavours, the OEEC has also made progress in its efforts to create conditions for freer trade between Europe and the rest of the world. Of particular interest to Canada is OEEC's active promotion of dollar import liberalization by its members and convertibility of currencies. It has also been instrumental, with other organizations, in the abolition of dollar retention schemes.

The European Payments Union, the reader will remember, is a central clearing-house for intra-European transactions. Its function is to make European currencies convertible among themselves and thus to eliminate the need for a strict bilateral balancing of accounts between individual countries in Europe. Member countries of EPU settle their balances with the Union as a whole rather than with their European trading partners. In this way, EPU assists in the development of trade and in the liberalization program of the OEEC.

The EPU reflects the great disparity in the economic strength of European countries. Western Germany has become the leading creditor in the Union, with a surplus of over $1 billion in April 1954. Other leading creditor nations in EPU are Belgium, the Netherlands and Switzerland; France, the United Kingdom, and several others are debtor countries.

## Situation in General

Europe is reaching a turning point in its postwar economic development. Economic and trade controls are being extensively relaxed, internal difficulties and inflation have largely been controlled, and hard currency reserves have strengthened considerably.

As European countries proceed in removing their dollar restrictions, Canadian exporters face a market which is progressively freer and more competitive. Canada's ability to retain and enlarge its foothold in the European market depends largely on the capacity of her exporters to compete with other traders. ●

# AUSTRIA

*Currency devaluation of May 1953 boosted exports and deficit on total trade for year was sharply reduced. Hydro development is proceeding rapidly and industrial output rising. Heartening rise in gold and dollar reserves has marked the last twelve months.*

W. R. HICKMAN, *Assistant Commercial Secretary, Berne.*

IMPRESSIVE ACHIEVEMENTS in industry, trade and finance have made the past year something of a milestone in Austria's postwar economic recovery. Production and exports rose, making possible a positive trade and services balance for the first time since the war. With the rapid development of a credit position in the European Payments Union, Austria introduced extensive import liberalization measures. Internal financial stability was achieved and steps taken towards the formation of a capital market and the accumulation of exchange reserves. Assisting in these developments was the expansion of primary industries, particularly agriculture, and a currency devaluation of about 20 per cent undertaken in May 1953.

## Power Development

After years of intensive construction and capital investment, Austria is well on the way to utilizing its considerable hydro power potential. Power output increased from 8,032 million kwh. in 1952 to 8,764 million in 1953, roughly one-eighth of which was exported. The continued development of reserves, estimated at 30 billion kwh., will mean substantial increases in exported power. Coupled with the stabilization of the country's currency, the electrification scheme is expected to advance smoothly, resulting (both directly and through increased industrial potential) in an expansion of exports.

## Industrial Expansion Aided

Thanks to this hydro development, Austrian production of primary aluminum last year reached 50,000 tons, 35 per cent above 1952 and almost four times that of 1950. Increased yields of iron ore, magnesite and coal, plus expansion of the iron and steel industry, also contributed to higher output and exports. With an average value of 169·9 through the year, the overall index of industrial production was 2·8 points higher than for 1952 (1937=100). Agricultural production also increased. Austria is now considered self-sufficient in meat, dairy products and sugar, but remains dependent on outside suppliers for wheat and feed grains.

According to available figures, Austria's balance of payments for 1953 showed a surplus of $71 million, compared with a deficit of $105 million in 1952. This surplus resulted from a $107 million reduction in imports (total, $548 million), a $31 million increase in exports ($538 million) and a $42 million increase in earnings from services ($136 million). The latter was mainly the result of higher tourist traffic earnings which, at $61 million, were nearly twice those of the preceding year. Foreign aid deliveries declined from 31 per cent of total imports in 1951 and 16 per cent in 1952, to 7 per cent in 1953. There was a net balance of $10 million under the heading of capital account, mainly because of an $8 million Swiss loan granted to the Austrian Postal Administration. Gold and foreign currency holdings increased by $151 million.

Through substantially increased exports and a moderate decline in imports, notably in deliveries under the European Recovery Program, Austria managed to reduce its negative trade balance from 3,156 million schillings in 1952 to only 78 million in 1953. Excluding imports financed by U.S. aid, the balance was positive for the first time since the war—by 838 million schillings in contrast with the 1952 deficit of 1,200 million. American economic aid will be discontinued this year.

During 1953, total Austrian exports increased by 22 per cent to 13,190 million schillings, thanks largely to the currency devaluation (21·7 per cent) undertaken last May. The last eight months of 1953 saw an uninterrupted succession of positive monthly trade balances and, with the exception of January, this record was maintained through the first quarter of 1954. Austria's principal exports are wood and wood products, iron, steel and their products, and textiles. Total imports, consisting chiefly of raw materials, fell from 13,959 million schillings in 1952 to 13,268 million in 1953, with the reduction in United States aid deliveries offset by somewhat larger imports from western Europe.

## The Trade Pattern

Austria's principal export markets and suppliers (with the exception of the United States, in fourth place) now lie in western and southern Europe. Western Germany takes the leading role, followed by Italy, the

United Kingdom, Switzerland, France, the Netherlands, and Belgium. Trade with these countries (including the U.S.) is increasing year by year; imports have risen since 1951 from 67·3 to 71·5 per cent of the total, and exports from 57·9 to 65·9 per cent. This, of course, arises from the disruption of Austria's traditional trade pattern with the countries of eastern and southeastern Europe, from which she obtained almost 40 per cent of her prewar imports but which now account for only 12 per cent of all Austrian imports and 10 per cent of all exports, according to available statistics.

### Closing the Dollar Gap

The effect of this shift has been to increase Austria's dependence on dollar sources for raw material imports without, in the first instance at least, providing an equivalent source of dollar earnings. Nevertheless, having realized an export balance in 1953 of 84 million schillings (according to Austrian bank statistics) in "unaided" trade with the U.S. and at the same time reduced her "aided" imports from dollar sources to 119 million schillings, Austria made an impressive bid last year to close the dollar gap on commodity trading accounts. Continued progress towards this goal will depend on her ability to strike a balance between dollar imports and dollar-earning capacity.

### Trade with Canada

Austria purchased in both 1952 and 1953 more than $5 million worth of Canadian goods, according to DBS figures, with grains making up two-thirds of the total in each year. Wheat, valued at $3·4 million (over twice its 1952 value), was the main item in 1953, followed by chemicals ($687 thousand) and primary minerals, chiefly milled asbestos fibres, ($650 thousand). Vegetable oils, lard and tallow accounted for a further $287 thousand. In place of the heavy wheat and mineral purchases of 1953, barley, rye and primary metals, particularly copper, were featured in 1952; chemicals remained about the same in each year. Last year's export total, $5·1 million, was only slightly lower than the 1952 figure of $5·2 million.

Canada buys about three-fifths as much from Austria as she sells to that country; imports were valued at $3 million in 1953 and $2·9 million in 1952. Textiles, the principal item in this trade, fell from $2·4 million in 1952 to $1·7 million last year. Metals, machinery and equipment, precious stones and jewellery recorded gains. In an effort to get a better footing in the Canadian market, Austria participated for the second consecutive year in the Canadian International Trade Fair, taking 5,000 square feet of space in various categories.

The outstanding feature of Austria's economic program in 1953 was the progressive liberalization of trade within the European Payments Union. After becoming a full member last July, Austria removed quantitative controls on 50 per cent of imports from EPU sources during the remainder of the year. By May of 1954 the liberalized list accounted for 75 per cent of all such imports, achieving the target set by the OEEC. This was not accomplished without protest from competing home industry and agriculture, whose objections have to some extent been recognized by several raises in the tariff. Originally a debtor within the EPU, Austria made notable gains in 1953 and by April 1954, with a cumulative surplus equivalent to $119 million (U.S.), had exceeded its quota by $49 million. Now a creditor within the EPU, Austria is being pressed to take further liberalization measures. Most dollar imports into Austria, however, are still under licensing control.

### Fiscal Reform

A month after the establishment in April 1953 of the present coalition government, the former exchange rate of 21·36 schillings to the U.S. dollar, applicable to commercial transactions, was permitted to find the more realistic level of 26 schillings to the U.S. dollar. This measure encouraged Austrian exports but at the same time raised the price of imported raw materials, a handicap which was lessened somewhat by the downtrend in international prices.

Early in 1954 a start was made in reducing internal taxes. The Austrian taxes, which accounted for 38 per cent of the national income in 1952, have been recognized as among the highest in Europe. It is estimated that initial reductions will result in an increase of two billion schillings in private purchasing power.

### Outlook for Coming Months

The disinflationary policies followed by the Austrian Government for the past two years have helped to stabilize prices and wages. This has permitted the unification of multiple exchange rates into a single rate at a realistic level without any serious upward pressure on costs and prices. It is expected that the balance of payments will again show a surplus in 1954, though a smaller one because of trade liberalization and the necessity for restocking. Capital formation continues to progress and, assisted by the positive balance of payments, is helping gradually to overcome the shortage of investment funds. The Government's main task now is to consolidate its gains by encouraging private investment and capital expansion but there is a feeling of confidence in continued progress throughout 1954.●

# BELGIUM

*Belgian industry faced stiffer competition in export markets in 1953 and production decreased slightly compared with 1952. Exports to North America continued to rise; constituted 12 per cent of all foreign sales. Year saw some relaxation in import restrictions on dollar goods.*

THEO J. MONTY, *Commercial Secretary, Brussels.*

THE SLOWING DOWN in Belgian industrial activity which appeared in late 1951 and continued throughout 1952 was evident again during the first three months of 1953. Beginning in the spring, however, the situation improved and industrial production in 1953 was slightly above 1952 but still below 1951.

Belgian industry which, as a whole, depends upon selling about 40 per cent of its production abroad, suffered from increased competition in world markets. It was handicapped too by the relatively high Belgian wage scale, and social security charges. In addition, foreign producers were often in a better competitive position as a result of the subsidies their governments granted in an effort to promote exports. Some of these subsidies were abolished by the end of 1953.

The year was not as active for the country's heavy industry, but manufacturers of consumer goods enjoyed good sales. A great deal of building was carried out, with consequent benefit to the construction industry, and bricks, glass and cement were produced in record quantities.

## Unemployment a Problem

Unemployment continued to be a problem. The Government passed legislation to eliminate some of the abuses in the unemployment insurance scheme but nevertheless at the end of the year, the number of unemployed was above what the Government considers normal—i.e., 3½ per cent of the working population. The Flemish part of the country, which is not as highly industrialized in relation to population, has the largest percentage of unemployed and the Government is therefore encouraging industry to operate in this part of the country.

Wholesale prices weakened during the year but there was little change in retail prices. Wages remained stable. Beginning in December, however, the cost-of-living index began to mount. This continued during January and February 1954 and carried with it an increase in salaries in certain sectors of Belgian industry.

Belgian coal production in 1953 totalled about 30 million tons, slightly less than the amount produced in 1952. This reduced figure reflects fewer industrial orders and competition from the ever-increasing use of fuel oil for domestic heating. The result has been a building-up of stocks on the part of the mines. These stocks, which amounted to a little over 1½ million tons at the beginning of '53, increased to over three million tons.

## Industrial Activity Varied

Some 4,430,000 tons of steel were produced in 1953, about 10 per cent less than in 1952. In the spring of 1953, uniform prices were established by the members of the European Steel and Coal Community. The Belgian and Luxembourg steel industries hope they will benefit from this common market for their products as they have already in the marketing of their coal. Because a large percentage of their production is intended for export, the industry has been extremely sensitive to fluctuations in the world steel market. The hope is that, with the development of this common European market, the industry will be more stable.

Despite the execution of substantial orders booked in 1952, production in the metallurgical industry as a whole was lower than in the previous year. Not all sectors were affected. The manufacturers of textile machinery, wire and nails, and electrical equipment, for example, had a good year. The Belgian railways placed fairly important orders for rolling stock and diesel-electric locomotives. The first television programs were produced during the year and are now a regular feature of the national broadcasting system. This opened a new field to the manufacturers of television receivers and to related industries.

The Belgian textile industry was active in 1953. The most favoured sections were the manufacturers of blankets and carpets, for which Canada is a good market. Jute spinners, wool spinners and producers of artificial textiles filled substantial orders. Monthly exports of textiles increased from an average of 22 thousand tons in 1952 to about 30 thousand tons in 1953. The value of these exports amounted to a fifth of the value of all Belgian exports.

Generally speaking, the Belgian chemical industry continued to suffer in 1953 from the regression which first appeared in 1952. Although exports rose over

1952, the value of the goods exported was less because of a falling-off in prices. Certain branches managed to improve their position, however, especially the producers of light chemicals.

### Foreign Trade Shows Deficit

The balance of trade for 1953 showed a deficit of about 8 billion francs, ($160 million) because the value of imports remained stable but, although the volume of goods exported increased, their value decreased. This was the result not only of the general falling-off of prices on world markets, but also of an increasing tendency to order from Belgium semi-finished instead of finished products. The main exports in order of importance were metals and metallurgical products, textiles, mineral products, and chemicals.

Belgium's main source of supply during the year remained the Netherlands, followed by Germany, France, the United States and Great Britain, in that order. The United States lost the predominant position it enjoyed last year.

In exports, the Netherlands remained far and away the best customer, followed by the United States, Germany, France, Great Britain, and the Belgian Congo. The debit balance of trade with Germany increased because of the zeal of German exporters. German goods coming into Belgium are extremely competitive both in price and quality.

### Trade with Dollar Area

Canadian exports to Belgium and Luxembourg, according to Canadian statistics, decreased from $104 million in 1952 to $69½ million in 1953, and Belgium became Canada's fifth best customer. The Belgo-Luxembourg Economic Union was Canada's sixth supplier in 1953, selling us some $30 million worth of goods, (Belgian statistics), about the same as last year.

The sharp decline in Canada's exports to Belgium came mainly from smaller sales of bread grains and cereals, partly because of the improvement in French supplies.

The National Bank of Belgium makes the following comment on trade with the dollar area: "While the surplus with EPU countries disappeared, equilibrium was tending to be restored on trade with the United States and Canada. The Customs statistics show that there is quite a clear correlation between these two processes, due to the combined effect of several factors. One of these was the prohibition on the re-export to EPU countries of goods costing dollars; another was the growth of production in Europe which made it possible progressively to replace imports of dollar goods by imports from Europe."

The goods bought on American markets accounted in 1953 for only about 13 per cent of total imports, compared with 18 per cent in 1952. The reduction applied mainly to purchases of bread grains and cotton, which were not subject to dollar discrimination.

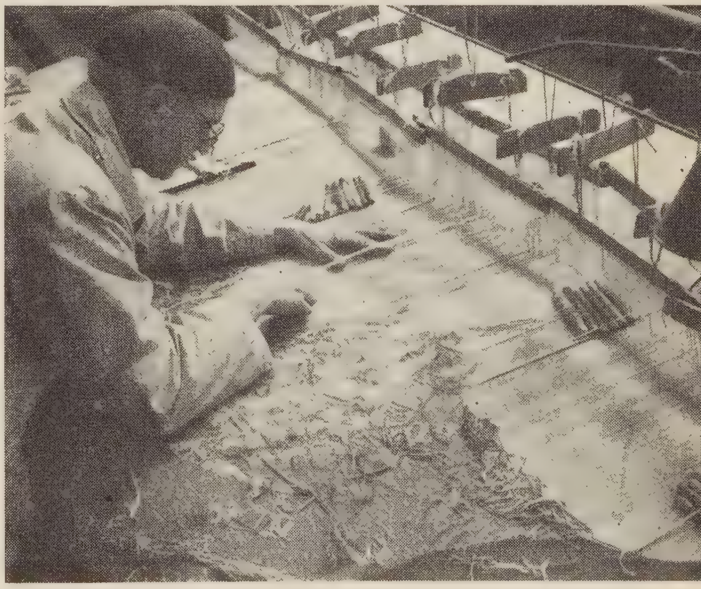
Exports to the United States and Canada continued their remarkable rise, and amounted to 12 per cent of all foreign sales, compared with 9 per cent in 1952. Most of the trades shipping goods to the United States and Canada shared in the expansion but at different times and in differing degrees. The increase in exports of steel products and non-ferrous metals was somewhat irregular. It was steadier but less marked for metal manufactures and was large for products of the textile industry (such as carpets) and the diamond industry.

### Belgium and the EPU

For the year 1953, the other members of EPU owed Belgium 2½ billion francs. This amount was covered through the payment to Belgium on account of 500 million francs, plus a payment of one billion francs in gold and dollars and a reduction of one billion francs in credits previously extended. At the end of the year, Belgium's claim against the EPU was 13,400 million francs, slightly less than the 1952 figure of 14,900 million francs.

### Most Dollar Restrictions Removed

Belgium took two significant steps recently towards freeing imports from dollar countries. This measure represents a notable advance over the considerable degree of import freedom in Belgium since early 1953, when that country removed controls on many dollar imports.



*A skilled Belgian craftsman works on a loom weaving the famous Brussels carpets. The textile industry in Belgium found 1953 a good year, with the makers of blankets and carpets pacing the field.*

Effective May 26, Belgium abolished the system under which many dollar imports were under control while similar non-dollar goods entered freely. There remains a relatively short list of goods subject to import licensing requirements regardless of their origin. It is understood that licences will be granted freely, and with a minimum of discrimination against imports from the dollar area, for most goods under licensing. Goods not subject to licence enter Belgium free from any control on the basis of declaration licences issued by a bank.

In addition, Belgium and the Netherlands established a common dollar import policy effective June 1. Under this, many important Canadian products may enter Belgium or the Netherlands without restriction and circulate freely within the Benelux territory. This measure is described in more detail in the article on the Netherlands on page 23.

The common Benelux list of unrestricted dollar imports does not cover all goods which are free from licensing controls in Belgium. Various Canadian goods which remain under control in the Netherlands are admitted freely into Belgium. Complete details about goods in this category are not available as this issue of *Foreign Trade* goes to press. It is, however, understood that it includes agricultural machines, synthetic threads and yarns, textile rags and waste, radio receiving sets and various other products of interest to Canada. More details will appear in a later issue.

### Report on Benelux

Benelux is a small but distinct part of European economic integration, consisting, as the name implies, of an economic union between Belgium, the Netherlands and Luxembourg. It has had its ups and its downs since customs union was first advocated between these three countries in 1948.

The year 1953 saw distinct progress towards the ultimate goal of a full economic union. The opposition on the part of certain Belgian industrial interests which were affected by products from Holland, where wages are lower, has largely subsided and the increased trade and the increased share of each other's trade carried on into the year 1953 bore witness to the success of this experiment.

The early part of 1954 saw two further important and far-reaching decisions. One involved the establishment of a common trade and payments policy towards the outside world and the second, the establishment of free movement of capital inside the Benelux Union.

In the field of common commercial policy, a common list of liberalized imports from the dollar area has recently been put into force, but the impact of this measure upon Canadian trade with this territory has still to be determined.

# DENMARK

*Both exports and imports rose last year; sales to the dollar area continued to expand, under stimulus of an export premium scheme. Decline in freight rates reduced shipping earnings, though merchant fleet reached a record tonnage; agricultural output was high and agricultural exports increased.*

J. L. MUTTER, *Commercial Counsellor, Oslo.*

DENMARK FOUND 1953 a comparatively favourable year, marked by greater activity in a number of important fields. Production and employment increased and, for the second year in succession, the balance of payments for goods and services showed a small surplus (about D.Kr.200 million) without any important economic aid from abroad. The farmers brought in a record harvest and agricultural exports rose. Wholesale prices went down slightly and as the downtrend affected import prices a little more than export prices, the terms of trade improved.

### Features of '53 Foreign Trade

The outstanding feature of 1953 foreign trade, however, was the improved trade balance with the dollar area; Denmark had an export surplus with this area of D.Kr.113·4 million, compared with a deficit of D.Kr.272 million in 1952. This substantial advance was stimulated by the dollar export premium scheme, the return of the international coal trade to more normal conditions which made it unnecessary to import coal from the United States, and the large 1952 and 1953 harvests which meant smaller imports of grain. On the other hand, the deficit on Denmark's account with European Payments Union countries rose from some D.Kr.500 million to D.Kr. 670 million. More than 80 per cent of Denmark's foreign trade, incidentally, is carried on with these countries.

During the summer, the Ministries of Commerce and Fisheries liberalized exports to the dollar area and the EPU countries of practically all the goods which they

*From Denmark's farms, like this typical one in Central Jutland, come about 62 per cent of the country's exports; industry provides about 34 per cent. Last year, however, saw agricultural exports rise in value and industrial exports decline slightly because of lower prices in world markets.*

controlled, with the exception of so-called "strategic goods". The year saw, however, little progress in liberalizing imports. By the end of 1952 Denmark had free-listed 75 per cent of her imports from other OEEC countries, the minimum percentage stipulated by the OEEC. In May 1953 this percentage reached 76, classified as follows: foodstuffs, 80 per cent; raw materials, 96 per cent, and manufactured goods, 60 per cent.

Most dollar imports are still under licensing control, although raw materials and partly manufactured goods from the dollar area are now admitted more freely if they are considerably cheaper than similar non-dollar imports. The improvement in Denmark's foreign trade balance in 1952 and the beginning of 1953, however, prompted the various trade organizations to approach the Ministry of Commerce with the request that the free lists be extended gradually with the objective of complete liberalization of import trade.

### Trade Deficit Smaller

Denmark's foreign trade expanded considerably in 1953, with imports increasing by D.Kr.263 million to 6,908 million, and exports by D.Kr.299 million to 6,173 million. The balance of trade thus showed a deficit of D.Kr.735 million, a slight improvement over the previous year, when it stood at D.Kr.771 million. The entire increase in imports came in manufactured goods. Of the total value of exports, 62·3 per cent consisted of agricultural produce and 33·2 per cent of industrial goods. Compared with 1952, the value of agricultural exports increased by D.Kr.444 million and industrial exports declined by D.Kr.146 million.

### Analyzed by Countries

Roughly 80 per cent of Denmark's foreign trade was carried on with the OEEC countries, chiefly the United Kingdom and Western Germany. About 30 per cent of all imports came from the United Kingdom and 41 per cent of total exports went to that country; the corresponding percentages for Western Germany were 18 and 10 per cent respectively. The value of bacon exports to Great Britain increased from D.Kr.921·4 million to 1,071·4 million, butter exports from D.Kr.531·3 million to 686·8 million, and eggs from D.Kr.274·3 million to 291·1 million. Denmark has signed long-term contracts with Britain for the delivery of bacon and butter for several years to come, and it is unlikely that the British derationing program will affect exports of these commodities to that market. Britain already takes 90 per cent of Denmark's total exports of bacon and 75 per cent of her total butter exports. Exports of cheese and eggs, on the other hand, may increase as a result of the derationing.

Imports from the United States declined from D.Kr.552 million in 1952 to 309 million in 1953, mainly because demand for American coal and grain fell off. The export premium scheme, introduced in August 1952 to further exports to the dollar area, was largely responsible for the notable improvement in Denmark's export trade with the United States, which rose from D.Kr.279 million in 1952 to 409 million in 1953.

### Trade with Canada

Imports from Canada declined in value from $9,881,138 to $6,303,092, almost entirely because of a $3·5 million reduction in shipments of barley. Main commodities were wheat, barley, radio and wireless apparatus, milled asbestos fibres, milk powder, primary copper, and drugs and chemicals. Together they accounted for $5,720,920 of total imports from Canada. Exports to Canada, on the other hand, increased from $2,167,202 to $2,174,904; chief commodities featured were cheese, grass seed and machinery.

Denmark's foreign trade continued to expand during the first quarter of 1954, with imports up by D.Kr.13·5 million and exports by D.Kr.6·3 million, compared with the same period last year. Exports of agricultural produce declined by D.Kr.32·3 million but industrial exports rose by D.Kr. 36·8 million. Exports to the

United States increased by D.Kr. 36 million and imports from the U.S. by only D.Kr. 9 million. This export surplus further improved Denmark's trade balance with the dollar area.

### Shipping Earnings Decline

At the beginning of 1953 Denmark's merchant fleet totalled 1,343,000 gross tons. During the year, new tonnage built by Danish shipyards or purchased from abroad totalled 148 thousand tons and sales to other countries amounted to about 57,000 tons. The net increase brought the merchant fleet up to a record tonnage, a good 30 per cent above the prewar level. As in previous years, the additions were entirely motor ships, (tankers=54,000 gross tons) and the vessels sold were chiefly steamships. At the end of the year about 80 per cent of the total fleet was motor ships. Shipping earnings, only slightly affected in 1952 by the decline in freight rates which set in towards the end of 1951, dropped considerably in 1953, totalling about D.Kr.1,100 million compared with D.Kr.1,270 million in the previous year. The average freight rate million in the previous year.

### The Fisheries Picture

The total fisheries catch, including that landed in foreign ports, was somewhat larger than in 1952—328 thousand tons compared with 312 thousand. Because the catch of the industrial fisheries rose at the expense of the catch for human consumption, total fisheries earnings did not show a corresponding increase; the value increased from D.Kr.202 million in 1952 to D.Kr.205 million in 1953. The catch of the industrial fisheries, mainly North Sea herring for the production of herring oil and meal, is now some 15 to 16 million tons larger than the catch for human consumption. The average price for all edible fish landed in Danish ports was somewhat higher than in the previous year, but direct landings in British ports brought lower prices, on the average. The fishing fleet increased slightly during the year and the cost of practically all types of equipment was a little lower than in 1952. Exports of fish products declined in both quantity and value. This was particularly noticeable in canned fish products.

### Record Harvest in '53

The 1953 harvest reached new heights—143·7 million "feed units" or 8·7 million more than in 1952. (A "feed unit" is the equivalent nutritive value of 100 kilograms of barley.) Agricultural exports were the largest ever recorded, valued at D.Kr.3,844 million compared with D.Kr.3,400 million in the previous year. A livestock census taken in July showed increased stocks of all farm animals, except horses, compared with July 1952. A census taken on April 10, 1954, revealed a pig population of 4,657,000. The mechanization of farms continued, the number of tractors alone increasing from 32,400 to 43,300 from July 1952 to July 1953.

The output of all animal products increased, with milk up by nearly 400,000 tons, butter by 20,000 tons, cheese by 1,000, beef and veal by 8,000, pork and bacon by 100,000 and eggs by 10,000. The price of butter exported to the British market was raised by 2·2 per cent but at the same time the bacon price was reduced 7·5 per cent. The price of butter to the secondary markets was about 7 per cent higher than in the previous year. Production index for agricultural produce in 1953 reached 131, compared with 115 in the previous year (1949 equals 100), and the total value of this production is estimated at D.Kr.6,500 million compared with 6,250 million.

### Industry's Contribution

The production index for consumer goods rose 5 per cent over 1952 but the index for producers' goods declined by 1 per cent. Thus the net result was an advance in the total industrial production index of 3 per cent. The trend, however, varied considerably in the different branches of industry. The tendency towards lower prices, plus the greater competition in foreign markets, may have retarded industrial activities to some extent but these factors were largely counteracted by a growing local demand and increased building activities. Practically all branches of industry increased their output, with the exception of the iron and metal industries which declined by 3 per cent, although even these showed a marked improvement towards the end of the year. The value of industrial exports declined by some D.Kr.146 million, mainly because of the lower prices on the world market.

### Outlook for 1954

A decline in the foreign exchange reserves of the National Bank during the first four months of the present year caused some apprehension. There are no indications, however, that the Government is unduly concerned about the foreign exchange position; in fact, the Ministry of Finance has earmarked $11 million for extraordinary reductions of Denmark's frozen United States debts and the Government is prepared to reduce Danish EPU debts by $15-20 million. On the other hand, a certain amount of long-term economic risk may be involved because Danish consumption capacity is steadily growing and this increase in purchasing power largely affects commodities requiring foreign exchange. There is some doubt whether the export industries will be able to keep pace with this development, or whether the balance of trade will prove to have deteriorated permanently and dangerously. Developments during the coming months will undoubtedly offer a clue to the economic policy which the Government will follow in the future. ●

# FINLAND

*Trade with Eastern bloc has increased strikingly at expense of trade with the West; in 1953, Russia replaced the United Kingdom as Finland's principal trading partner. Forest industries are working at full capacity and exports this year should exceed the 1953 figure.*

E. PARTRIDGE, *Office of the Commercial Counsellor, Stockholm.*

FINLAND'S ECONOMIC DEVELOPMENT in 1953 was overshadowed by difficulties in the export market and in some industries export prices did not cover the cost of production. Improving the competitive position of industry became a central problem and was the main cause of the changes of government that occurred during the year. Because of the decline in the prices of wood products, export earnings were reduced by 16 per cent and consequently a strict control on imports was imposed; throughout the year import licences in most western currencies were granted with considerable reluctance. Trade with the Eastern bloc, however, rose substantially. Despite a slight increase in industrial production, unemployment grew and caused some concern. The total grain crop increased but the harvest of cereals was smaller than in the previous year.

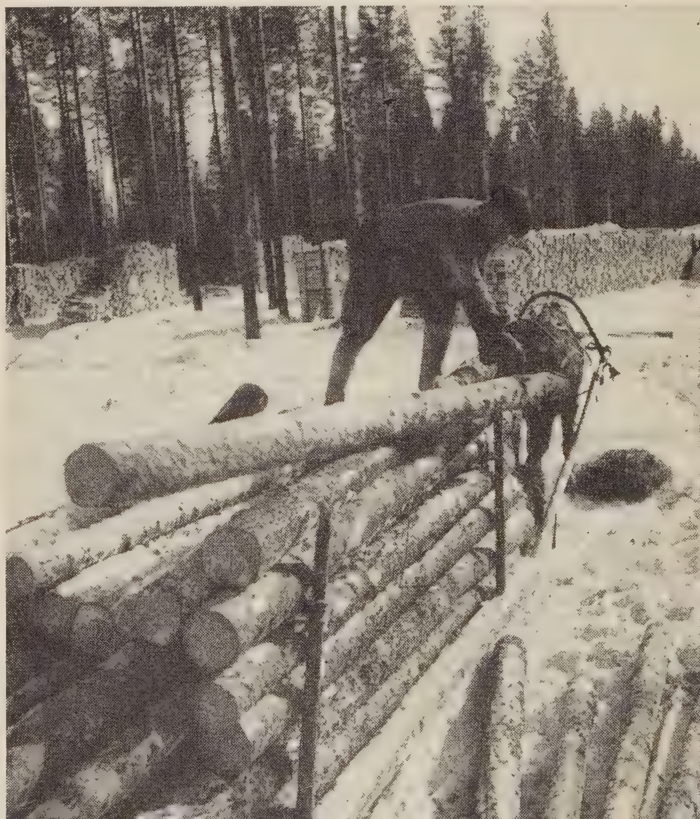
## Trade Slanted towards East

The total value of foreign trade fell by more than 25 per cent compared with 1952. Expressed in volume of goods, however, the decrease was not so large and exports, in fact, showed an increase. Exports were valued at 131,555 million marks compared with 156,829 in 1952 and imports at 121,860 million compared with 182,186 million the previous year. The import surplus of 1952 was thus replaced by an export surplus of 9,695 million marks. The strict government import control affected imports of dollar-paid goods and purchases from all dollar countries slumped considerably.

The value of imports from Canada fell from $2·7 million to $1·4 million; exports to Canada rose from $0·2 to $0·5 million. Purchases of Canadian aluminum, asbestos, porcelain insulators and seeds were larger and those of brass and other metals, automobiles, tires and wheat rather smaller.

The most striking change in 1953 was the increase in trade with the Eastern bloc at the expense of trade with the West. Soviet Russia became Finland's most important trading partner, ousting the United Kingdom from its traditional first place. Purchases from Russia increased from 27·4 million marks in 1952 to 33·5 million in 1953 and sales to Russia rose from 22·0 million to 26·1 million marks. In 1951 the proportion of Russian goods in total Finnish imports was 7·6 per cent; this rose to 12·1 per cent in 1952 and 21·4 per cent in 1953. Russia's share in the value of total exports was 8·3 per cent, 17·5 per cent and 25·4 per cent respectively. Trade with Eastern Germany in 1953 increased by almost 150 per cent, with Czechoslovakia by over 50 per cent, and with other countries of the Eastern bloc by over 100 per cent. A large part of the imports from these countries was paid for, under tripartite agreements, by exports to the U.S.S.R., but despite this Finland still had an export surplus with them. At the end of the year, negotiations were begun over a plan for using this export surplus for imports from Western Europe.

The import and exchange policy pursued improved the payments position. By the end of 1953 the gold



*Finland likes to refer to her forests as "green gold" because wood and wood products make up such a large percentage of Finnish exports. This year, sales abroad of cellulose, paper, plywood and pitprops will probably exceed those of 1953.*

and dollar holdings had increased to 13,200 million marks and the debit balance with the sterling area and Western European countries was 4,200 million, which implied a decrease of 7,800 million marks in the clearing liabilities. On the other hand, the Eastern bloc currencies decreased to 11,200 million marks and a net liability of 700 million marks was recorded for other currencies. Thus the exchange reserves at the end of the year totalled 27,900 million marks, 73 per cent higher than a year earlier.

### Industrial Production Improved

The total volume of industrial production rose by 3 per cent compared with 1952 but was 4 per cent below 1951. It improved considerably towards the end of the year, largely because the export industry worked at almost full capacity during the last quarter. The principal reasons for this were the refund to the export industry of 4,200 million marks of taxes previously paid on export earnings originally due in 1954, and the exemption from sales tax of chemicals needed in production processes. The latter measure resulted in a reduction of over 1,000 marks per ton in production costs in the cellulose industry.

### Forest Products Exported

Exports of mechanical pulp totalled 204 thousand metric tons against 143 thousand in 1952; sulphite and sulphate cellulose exports rose to 787 thousand tons, compared with 722 thousand the previous year. Production in the cellulose industry, however, incurred heavy losses, estimated for some factories at 8,000-10,000 marks a ton.

Exports of wood products, compared with 1952, were:

| | *Unit* | 1952 | 1953 |
|---|---|---|---|
| Prefabricated wooden houses.... | 1,000 sq. metres | 1,049 | 897 |
| Round wood products............. | 1,000 cu. metres | 5,112 | 2,388 |
| Sawn wood products............... | 1,000 stds. | 611 | 688 |
| Matches .................................... | ton | 1,268 | 1,178 |
| Plywood .................................... | 1,000 cu. metres | 222 | 216 |
| Bobbins (spools)....................... | ton | 1,167 | 1,143 |

Paper and cardboard exports were as follows:

| | 1952 | 1953 | |
|---|---|---|---|
| Newsprint .................................. | 392,442 | 402,181 | metric tons |
| Other paper .............................. | 176,646 | 274,412 | " " |
| Cardboard .................................. | 109,201 | 120,816 | " " |

Particularly striking was the sharp rise in metal exports which, both in volume and in value, increased by about 50 per cent.

The home market industries which, in the first half of 1953, were less active than in the corresponding months of 1952 stepped up output during the last quarter. The demand for finished goods has been fairly brisk.

### Agricultural Record Mixed

The grain crop was estimated at 200 million kilograms, or about 10 per cent more than in the previous season and the crop of oats and barley in particular was above normal. On the other hand, wheat and rye production was less than a year ago, with a decrease in rye alone of about 45 million kilograms. The poor crop of cereals meant that Finland was less self-sufficient in bread grain than in 1952. Large stocks of grain have, however, been imported during the last two years, principally from the U.S.S.R., because only slightly more than half of the demand for cereals can now be satisfied by home production. The potato crop in 1953 was about 100 million kilograms less than in 1952 but the hay crop as well as the crop of root vegetables was considerably better. Other branches of agriculture showed some improvement compared with the previous year.

### Outlook for Coming Months

So far this year, industrial activity appears to be greater. All branches of the forest industry are working at full capacity and preliminary estimates indicate that export volume of cellulose, paper, plywood and pitprops will exceed 1953. The rise in export prices will probably mean an increase in imports of some 10 per cent above the austerity level of last year, but any relaxation in the control on dollar-paid imports seems most unlikely.

---

## Data for Exporters

*The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Austria, Belgium, Belgian Congo, Bolivia, Brazil, Chile, Colombia, Cuba, Denmark, Dominican Republic, Egypt, Finland, France, Western Germany, Greece, Guatemala, Haiti, Iceland, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Nicaragua, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland and Venezuela.*

*If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.*

# FRANCE

*Industrial production has picked up during the past year after two years of slipping back; tax receipts have risen and exports have increased. But lack of foreign exchange continues to hamper the growth of trade with the dollar countries, including Canada.*

J. H. STONE, *Assistant Commercial Secretary, Paris.*

THE FRENCH BUSINESS SCENE shows definite signs of improvement over last year; industrial production is recovering from a period of stagnation, the trade liberalization program with OEEC countries has been resumed after complete cancellation, and the foreign trade balance is healthier than it has been for some years.

## Industrial Production Recovers

Industrial production has now recovered to the post-war peak attained in the spring of 1952, after two years of relative recession. The index of industrial production stood at 152 (1938=100) in December 1953 and again this April, a gain of 5 per cent over April 1952. This compares with an average figure of 141 for 1953 but represents a relatively modest increase over the 125 of 1929. No accurate figures of unemployment are published, but the number of people without work is estimated at about 350 thousand compared with 400 thousand last spring.

Prices have remained stable at a high level throughout the past 12 months; hourly wage rates have risen about 6 per cent. The labour scene has been relatively quiet since the extensive strikes of last summer, with only brief and limited work stoppages during the past winter.

The budget for 1954 predicts a deficit of 291 billion francs, compared with a planned 320 billion in 1953. The war in Indo-China and the fact that private savings are insufficient to finance industrial and housing investment impose a drain on public finance which can only be covered in the long run by an expansion in output. The deficit will probably be less of a problem this year than it was in 1953, because tax receipts are higher this spring, private savings are increasing, and the public treasury reserves are substantially larger.

## Foreign Trade Balance Improves

The foreign trade of France during 1953 showed a healthier balance than during the previous year, with exports paying for 81 per cent of imports, compared with 67 per cent in 1952. This enabled France to resume progress towards freeing inter-OEEC trade from restrictions. (The liberalization program was completely suspended in early 1952, following an alarming rise in the trade deficit.) Last September about 8 per cent of imports from OEEC countries were freed from import control; this rose to 18 per cent later in the fall and to 53 per cent in April of this year.

The French deficit with the European Payments Union continues to be a problem, however, although it was much smaller in 1953 than in 1952. The cumulative total increased by $306 million during 1953, compared with $429 million in 1952. During the first four months of this year, the cumulative increase was only $49 million, an annual rate of less than $150 million—or one-half the 1953 rate.

The commercial balance with the dollar area improved in 1953, with 58 per cent of imports being paid for with exports; the equivalent average in 1952 was only 36 per cent. Exports to the sterling area covered only 34 per cent of imports last year, however, although this situation appeared to be improving in early 1954. United States aid directly financed an average of 5·4 billion francs of imports per month during 1953, out of a monthly average of 91 billion. This was approximately 60 per cent of the average monthly aid received during 1952.

## Canadian Trade with France

Canadian trade with France continues to be in Canada's favour, even though imports from Canada fell substantially during 1953—from 26·8 billion francs in 1952 to 13·8 billion last year. French exports to Canada, by contrast, increased by almost 50 per cent to total 9·0 billion francs in 1953, compared with 6·7 billion in 1952. Canadian exports during the first quarter of this year had a value of 3·9 billion francs (3·5 in 1952) with imports from France reaching 1·2 billion francs, down slightly from the 1·4 billion francs of the first quarter of 1953.

Canadian products exported to France continue to be limited almost entirely to raw materials or to industrial products which cannot be obtained from non-dollar sources. This situation, which has existed for a number of years, naturally reflects the French inability to export enough to the dollar area to pay for needed imports. Though French exports to dollar countries have gained during the past year, they continue to be substantially lower than dollar imports. With the present inconvertibility of the franc, Canadian exports to France (and those from other dollar area countries) are necessarily related to France's dollar earnings plus United States loans and grants.

### The Outlook

The future level of Canadian trade with France is unpredictable. French exports to Canada are circumscribed both by the difficulties of doing business in a distant market and by the uncompetitive prices and designs of many French goods. Unless the French can find means to earn more dollars, our exports to France under present circumstances must continue to be restricted to goods which they cannot buy from soft-currency countries.

Strenuous efforts are being made to render French production more efficient, through modernization of equipment and the grouping of industries to produce a smaller range of products on a larger scale. Government aid to exporters through tax drawbacks and other fiscal measures is also bearing fruit. The present program of trade liberalization which progressively subjects French industry to international competition should hasten the process of adjustment to world price levels. It should also, in the long run, make French price levels more competitive, increase dollar earnings, and enable the country to import a larger volume of Canadian goods.

In the immediate future, however, present conditions seem likely to persist.

# GERMANY

*West German Republic made remarkable progress in 1953; exports rose by 17 per cent in volume; gold and dollar reserves nearly doubled; gross national product increased by 6 per cent. Liberalization of dollar imports, begun in February 1954, may be extended further.*

BRUCE MACDONALD, *Commercial Counsellor, Bonn.*

THE PEOPLE OF WEST GERMANY had reason to be pleased with the economic results of 1953. The records confirm the continuation of remarkable progress. Agricultural output, overall production, and output in most individual industries were either eminently or reasonably satisfactory. Foreign trade expanded greatly and the terms of trade proved highly favourable to Germany. Exports increased in volume, variety, and value; imports, while increasing in volume, cost the country less. Gold and foreign exchange reserves nearly doubled.

The Deutsche Mark became harder and freer. Its convertibility—with some limitations on capital transfers—is now widely regarded as a possibility which will materialize "five minutes after sterling is made convertible". It has, in fact, already attained a large measure of convertibility as a result of restrictions lifted during 1953 and in the first quarter of this year.

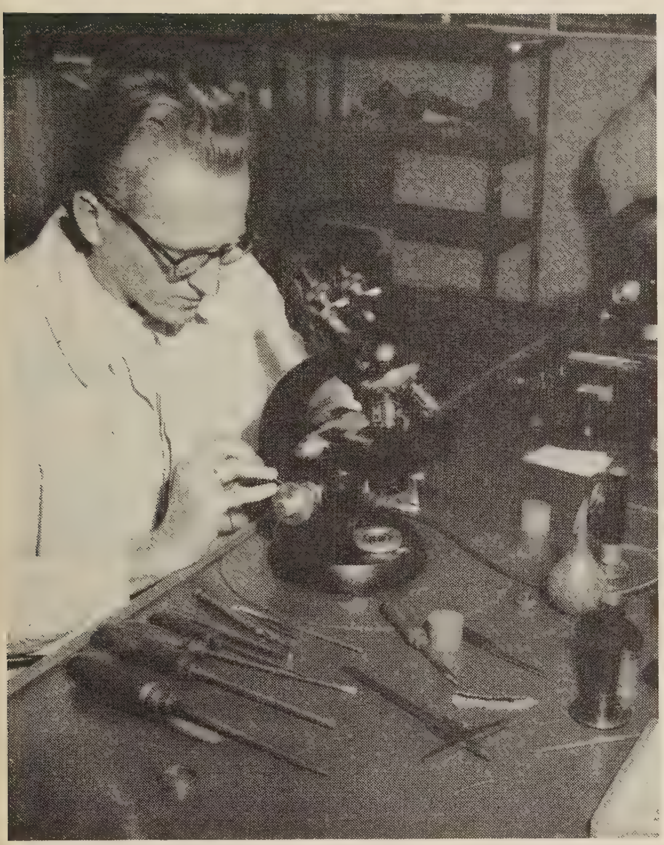
Prices remained notably stable and any important changes were downward. Exceptions were rents and charges for public utility services and transport, which were raised. The overall cost-of-living index moved slightly downward—from 171 for 1952 to 168 for 1953.

Wages rose somewhat and real wages also increased. The year was characterized by a widespread gain in income resulting first, from tax reductions benefiting low- and middle-income groups under the so-called "Minor Tax Reform"; second, from a number of increases in the rate of social insurance pensions (over one-third of the budget goes towards welfare benefits of one kind or another); third, from rises in salaries paid in the public service; and fourth, from accelerated payments made under the "Equalization of Burdens Law".

Housing conditions improved but the losses to be made good in this field remain staggering. Expenditures on food, goods (especially household appliances and motor vehicles), services, entertainment, and travel increased. All in all, the standard of living rose perceptibly although, because of the frightful wastage of war, it is still far below that of the United States, Canada and most of the countries of Northwest Europe.

### Employment and Wages

The population of West Germany has reached 49·3 million (or 51·5 million, if the 2·2 million inhabitants of the West sector of Berlin are included). The Federal Republic is thus the largest country on the continent, (Italy, 47 million; France, 43 million). The United Kingdom, with 50·8 million, has roughly the same population. This review does not include the East or Soviet-controlled part of Germany, which has a popu-



*This German workman is making a final test of a microscope to make certain that, both mechanically and optically, it is up to standard. Optical and precision instruments today figure largely in West Germany's export trade.*

lation of 17·1 million, or 18·3 if the 1·2 million people who live in the East sector of Berlin are included.

The number of workers employed (*registered* salary and wage earners) increased from 15·2 million in March 1953 to 15·7 in March of this year. Despite this large increase in employment, unemployment also rose by 35,000 during the same period because of the large number of new workers who entered the labour market and the continuing problem of refugees from the Soviet controlled areas.

The fact that, even in a period of high economic activity, the unemployment rate has swung between 6 and 11 per cent (in absolute numbers, between one and two million) depending on seasonal factors, is not only a cause of concern for Germany, it also has significance for other modern industrial countries. It is the main reason why hourly gross earnings of German industrial workers averaged only 1·63 during 1953 (DM 1·56 in 1952) or under 40 cents compared with reported equivalent rates per hour of 47 cents in the United Kingdom, of $1.78 in the United States and of about $1.50 in Canada. There is no very strong movement at present towards a rise in wages although workers are apparently seeking to reduce the hours of work, which averaged 47·9 per week in 1953 (peak 48·9 in November) compared with 47·5 in 1952.

### Industrial and Agricultural Production

The gross national product totalled DM 134 billion in 1953, an increase of 6 per cent over the previous year. Roughly equivalent to $32 billion, or $620 per capita, this compared with Canada's GNP in 1953 of $24 billion or $1,600 per capita.

The overall index of industrial production (monthly average) rose from 145 in 1952 to 158 in 1953. (The basis is 1936=100.) Other indices increased as follows: raw materials and producers' goods, from 131 to 143; capital goods, from 170 to 175; consumer goods, from 135 to 156; construction, from 145 to 176. The cautious outlook, noticeable at the beginning of 1953, over prospects for certain industries proved justified in iron and steel and machine building; their production returns dropped. The declines were not large, however, and these industries are now showing signs of recovery. The textile industry, which was experiencing difficulties in 1952, recovered to an index of 146 for the whole of 1953, compared with 125 for 1952. Shipbuilding and motor vehicles also made outstanding progress.

Production of the main agricultural crops in 1953 was as follows, in thousands of metric tons. (The figures for 1952 are given in brackets.) Bread grains, 6,638 (6,582); fodder grains, 5,294 (4,887); potatoes, 24,535 (23,854); sugar beets, 8,422 (6,845). These substantial increases played an important part in the favourable foreign trade results.

The winter of 1953-54 was unusually cold and dry and the past spring exceptionally dry. There is thus some anxiety about this year's crops, although belated general rainfalls have appeared as this is being written.

### Foreign Trade Expands

The continued expansion of German foreign trade, and especially exports, featured the economic scene in 1953, as it may the current year, judging by the figures for the first quarter. Total foreign trade rose in value from the equivalent of $7·9 billion in 1952 to $8·2 billion in 1953.

The increase came entirely in exports, which rose in value by some $400 million, or ten per cent—$4·0 billion to $4·4 billion. The increase in volume was even greater, some 17 per cent.

Total imports dropped in value from the equivalent of $3·85 billion in 1952 to $3·81 billion in 1953 but because of the decline in raw material prices, which continued until late in 1953, this fall in value masked a rise in volume of 13 per cent.

The export expansion applied to all the main geographic areas and to all the payment areas and it is continuing, and even accelerating, in the present year. Total exports for the first quarter of 1953 were valued at DM 3,970 million ($945 million); those for the first quarter of this year reached DM 4,941 million ($1,172 million) an increase of 24 per cent.

### Trade with Canada

The returns of the German Statistical Bureau indicate that total trade with Canada declined from DM 633 million ($150 million) in 1952 to DM 593 million ($141 million) in 1953, entirely because of a decline in imports from Canada, which fell from DM 539 million ($128 million) in 1952 to DM 467 million ($111 million) in 1953.

Exports to Canada increased sharply (by over 33 per cent) from DM 94 million ($23 million) in 1952 to DM 126 million ($30 million) in 1953. On the basis of the German statistics, Canada ranked ninth among Germany's suppliers in 1953 (seventh in 1952), but only 31st (28th in 1952) among Germany's customers.

The official Canadian returns (Dominion Bureau of Statistics) show the movement of trade between the two countries as follows (nearest millions of dollars):

| | 1952 | 1953 |
|---|---|---|
| Exports to Germany | 95 | 84 |
| Imports from Germany | 23 | 35 |
| Total trade | 118 | 119 |
| Balance of trade in Canada's favour | 72 | 49 |

The fall of $11 million in exports to Germany stemmed mainly from smaller sales of barley, pitprops and wood pulp—products which are particularly susceptible to wide swings from year to year, at least in the German market. Exports to Germany of a number of other important commodities increased appreciably in value and volume—for example, iron ore, pig iron, primary aluminum, copper in ore, lead in ore, sulphur pyrites, asbestos, synthetic rubber, herring oil, hides and skins, canned salmon, canned lobster, and whisky.

### The Financial Situation

As a result of the upward surge of exports and the favourable terms of trade, Germany's gold and dollar reserves totalled $1,187 million at the close of 1953 compared with $635 at the end of 1952. Her cumulative credit position in the European Payments Union rose during the same period from $378 million to $821 million (units of account). As of April 30th this year it had passed the billion dollar mark to reach $1,034 million. These large and persistent credits, and some of the correctives recommended, are posing in acute form the problem of reconciling external and internal economic policy and this breaks down into the problem of reconciling conflicting interests within the country itself. Broadly speaking, the divergent interests here lie, on the one hand, between the exporting industries and urban consumers and, on the other, agriculture. The latter is traditionally protectionist and conservative and sometimes even backward in the use of modern implements, chiefly, it would seem, because of the fragmentation of farms, which is said to characterize 65 per cent of all West German farm holdings. Ploughing with oxen is still a common sight all over the country.

The Federal Republic has now liberalized the level of her OEEC imports progressively as follows, as from the end of 1952: March 1953 to 84·4 per cent; April 1953 to 90·1 per cent; and February 1, 1954 to 92 per cent. The remaining 8 per cent consists for the most part of agricultural products. Certain industries, e.g., tires, still receive quantitative protection against their competitors in the OEEC—and dollar—countries. Many dollar goods are still subject to licensing.

### Viewing the Future

The statistical data for the first quarter of 1954 indicate that business activity is continuing at a high level. The spring company reports, plus statements by government and business leaders, reveal an optimism which in some cases extends to three and even five years ahead. Certainly there is much internal work to do. It is estimated that three million new housing units are still required and extension of the great autobahn system is to begin next year. Rationalization of plant is expected to add to the huge backlog of construction (apart from housing) which remains, despite all that has been done so far, and will bolster the demand for capital goods.

Nevertheless, export pressure will almost certainly continue and probably expand. It will be assisted in several ways:

- By the restoration of old German trade connections and the creation of new ones—both of which are strongly under way.
- By the restoration of the German merchant marine and, soon to begin, the Lufthansa civil aviation service.
- By the restoration of the German diplomatic service which is nearly complete in the more important foreign countries.

There is little doubt that reciprocal economic relations of almost all kinds are bound to grow between Germany and Canada. The annual totals of Canadian exports to this country may vary from year to year, but the basic trend will in all probability be upward; German exports to Canada are also likely to rise.

The outlook in this market in the near future for those Canadian commodities which are currently largely excluded by quantitative restrictions, such as fully manufactured products and processed foodstuffs, depends principally on two circumstances. The first is whether the list of goods import of which from the dollar area was liberalized on February 17th of this year (see *Foreign Trade* of March 6, 1954) will be extended. When the list was issued the Minister of Economic Affairs expressed the hope that it could be broadened before the end of the year. No further announcement has been made so far. The second is the degree to which the prices of these Canadian goods are found to be competitive if and when the list is widened. There are reasons to fear that, on the basis of their present prices, some Canadian products would find it difficult to enter the German market, even if all existing restrictions were removed.

# GREECE

*Freeing of imports from quotas, quantitative restrictions and currency discrimination, a step taken in 1953, has proved successful. Total prohibition of wheat and flour imports remains and affects Canada's trade with Greece, though liberalization has widened opportunities there.*

H. W. RICHARDSON, *Commercial Secretary, Athens.*

THE YEAR 1953 was an outstanding one in the economic and commercial life of Greece. For the first time in the postwar period, the country abandoned import quotas, quantitative restrictions, special import taxes for subsidies on exports, discrimination between currencies, and most controls over imports. This was done by the bold policy of jumping, rather than stepping gradually, to import freedom—a move made possible by the heavy devaluation of April 9, 1953, which cut the external value of Greek currency by one-half, plus a continuing deflationary policy on bank credit and circulating currency. Even though this bold measure has, as yet, been announced to the other member countries of OEEC as only an "experiment", most observers now believe it has been so successful that it stands an excellent chance of becoming long-term policy.

## Favourable Developments

Partial restrictions remain on only a few ultra-luxury items and total restrictions only on wheat and wheat flour; all other goods can be freely imported from almost all the free world and not just from EPU countries, provided there is foreign exchange to pay for them. Unfortunately for Canada, the two prohibited items comprise the great bulk of our traditional export trade with Greece and it is to be hoped that the new policy will continue to be so successful that wheat and wheat flour may be freed.

Other significant and favourable developments in Greece in 1953 include:

- A switch to a favourable balance of international payments in the last half of 1953 for the first time since the war.

- A considerable increase in the reserves of gold and foreign exchange.

- The highest agricultural output in history, particularly of wheat.

- The highest rate of industrial output in history.

- A strengthening of the banking system, a start towards reduction of the high rates of interest and bank commissions, and an encouraging increase in the low volume of bank deposits.

- The passage of a law adequately protecting the interests of foreign private capital.

- Decreasing dependence upon United States economic aid, without accompanying difficulties.

- An encouraging increase in the tourist trade.

## Balance of Payments Improved

The most important of these developments is probably the great improvement in the Greek balance of payments in spite of the general removal of import restrictions. A natural consequence of this has been the increase in the reserves of foreign exchange. During 1953, exports worth $135 million, plus invisible receipts from shipping, tourism, emigrant remittances, etc., totalling $118 million, almost paid for imports of $238 million plus invisible payments of $27 million. This compares favourably with 1952, when exports of $114 million plus invisible receipts of $85 million failed by a large margin to cover imports of $289 million plus invisible payments of $40 million. The adverse balance of payments has thus been reduced from $130 million in 1952 to $12 million in 1953.

This improvement, with continuing U.S. economic aid, permitted a relatively large 1953 increase in reserves of gold and foreign exchange—from about $93 million to $142 million, a fairly comfortable level in relation to the volume of external transactions. An interesting feature of this change has been the increase in dollar holdings from $33 million to $90 million, contrasted with a continuing EPU deficit; reserves of sterling dropped slightly, and gold reserves increased from $9·5 million to $10 million. This situation allows import licences to be granted dollar area suppliers at least as freely as European suppliers, other things (such as prices and terms) being equal.

### Some Difficulties Remain

Weaknesses in the Greek economy still remain, chief among them the extremely limited development of natural resources in relation to the steadily increasing population. Efficiency in agriculture and secondary industry will probably be stepped up before long and will help to alleviate the difficulties which producers experienced after the freeing of imports, even though tariffs were raised. Gold coins still remain as a currency for certain transactions in competition with drachmas and this practice lowers the volume of bank deposits. Interest rates are thus high and working capital scarce, to the detriment of new economic activities. The large external debt, both prewar and postwar, ranks as an unsolved problem and, if service is to be resumed, as a potential burden upon the economy which could prove beyond bearing.

### Economic Policies Sound

The success of the devaluation and the removal of import restrictions depends on Greece's ability to keep to a minimum price and wage increases following devaluation. Fiscal stability through balancing the State budget and strict currency and bank credit controls successfully set the stage in advance for the implementation of the new economic policies. These deflationary controls have since been continued relentlessly. This in turn has kept wholesale and retail prices to a modest 30 per cent increase and wage increases to 25 per cent in the 14 months following the 100 per cent rise in the cost of foreign exchange on April 9, 1953. This new par value was fixed at drachmas 30.00 (new issue) per U.S. dollar by doubling the previous rate of exchange in terms of drachmas. This bold move solved the problem of stabilizing the new par value of the drachma to make Greek exports more competitive and to attract invisible exchange earnings and foreign capital.

A series of measures for achieving monetary stability followed. Greek foreign trade was liberalized through the system of freed imports and, at the same time, the strict control on note circulation and credit policy was not relaxed. Developments to date fully justify the correctness of the decision to establish the new par value of the drachma at double that of the previous notes.

Thus, though the present situation is more favourable than for two decades, the long-term outlook is clouded by uncertainties which make any predictions at this time unwise.

### Trade Prospects for Canada

Canadian-Greek trade declined in 1953 mainly because of the total prohibition of Canadian wheat and flour imports since last July, although the trade balance continues heavily in Canada's favour. Exports from Canada totalled $1·6 million in 1953 compared with $4·4 million the previous year, and imports from Greece totalled $224 thousand compared with $197 thousand the previous year. The 1953 exports from Canada were featured by a non-recurring item of $477 thousand in government canned beef, which was purchased by the Greek Government. The freedom from import restrictions permitted certain Canadian exports again to enter the Greek market—particularly canned salmon, salmon roe and tanned upper leathers. There was also a substantial increase in imports of Canadian polystyrene. Canadian purchases of Greek products continue to expand slowly, but volume is still low. Main products featured were alcoholic beverages, tobacco, gloves and processed furs.

For the first three months of 1954, Canadian exports to Greece were valued at $472,782, compared with $661,276 for the same quarter of 1953. Greek sales to Canada also were smaller, falling in the first quarter of 1954 to $40,269, compared with $49,070 in 1953.

### Opportunities for Canada

Thus far, few Canadian firms have taken advantage of the present favourable trading conditions in Greece. There is complete freedom in imports (except wheat and flour) and prospects for many other Canadian products are now promising—if these products are competitive in other Mediterranean countries. It is hoped that this liberalization of imports will induce more Canadian firms to enter the Greek market. Furthermore, Greece should be remembered as a competitive source of supply for ripe olives, figs, oriental tobacco, wines, certain preserves, raisins, currants, sponges, and colophony. ●

# IRELAND

*Past twelve months have witnessed rise in industrial production and slight fall in unemployment. Trade deficit in 1953 was slightly smaller than in '52 but may increase during present year; over 90 per cent of exports continue to go to Britain, who is also leading supplier.*

T. G. MAJOR, *Commercial Counsellor, Dublin.*

THE ECONOMY OF THE IRISH REPUBLIC showed no outstanding changes during the past twelve months, although the decontrol of agricultural and food products in the United Kingdom served to emphasize the vital importance of the cattle and meat trade to Irish well-being.

Industrial production is rising and unemployment is lower than in the spring of 1953. The index measuring the volume of production of industries producing transportable goods rose from 164·6 in the first quarter of 1953 to 189·8 in the last quarter; the average for the year was 16·7 points higher than for 1952. The industries contributing mainly to this rise were sugar and sugar confectionery; hosiery, woollen and worsted fabrics; tanning and leather; paper; fertilizers. In the first few months of this year, exports of chocolate crumb and chocolate confectionery to the United Kingdom, which rose phenomenally in 1953, dropped considerably as a result of increased production in Great Britain. Maintenance of output in this industry therefore depends on absorption by the home market or on finding alternative outlets. The engineering and implements, malting and distilling industries were among the small number in which production dropped.

In spite of the fact that wheat acreage has risen, wheat flour production declined during 1953 because of a fall in imports of wheat. However, millers throughout the Republic are installing extra grain-drying and storage facilities in anticipation of a record domestic wheat harvest this year, stimulated by the continued subsidy on production.

Creamery butter production for January and February 1954 showed a substantial increase over last year but imports from New Zealand of 10,000 cwt. were still necessary in those two months.

## Expenditures and Cost of Living

Government expenditure exceeded revenue during the last financial year and the deficit was largely met by borrowing. In October a £25 million 4½ per cent National Loan was floated to finance electricity and peat development, agriculture, fisheries and afforestation projects, transport and housing.

The cost-of-living index, which rose sharply in the second quarter of 1953, has since shown little change. Statistics for the first quarter of this year, however, indicate that retail prices are higher than in the corresponding period of 1953. The wholesale price index, on the other hand, was 6·4 points lower in January this year than in January 1953. However, the cost of living appears to be high in relation to consumer income.

## Other Economic Factors

Construction of houses in the Republic has been declining steadily. Fewer new ones were built in 1953 than in 1952 and the total number constructed under state-aided schemes fell to 1,699 in the first two months of this year, compared with 2,340 in the same period of 1953.

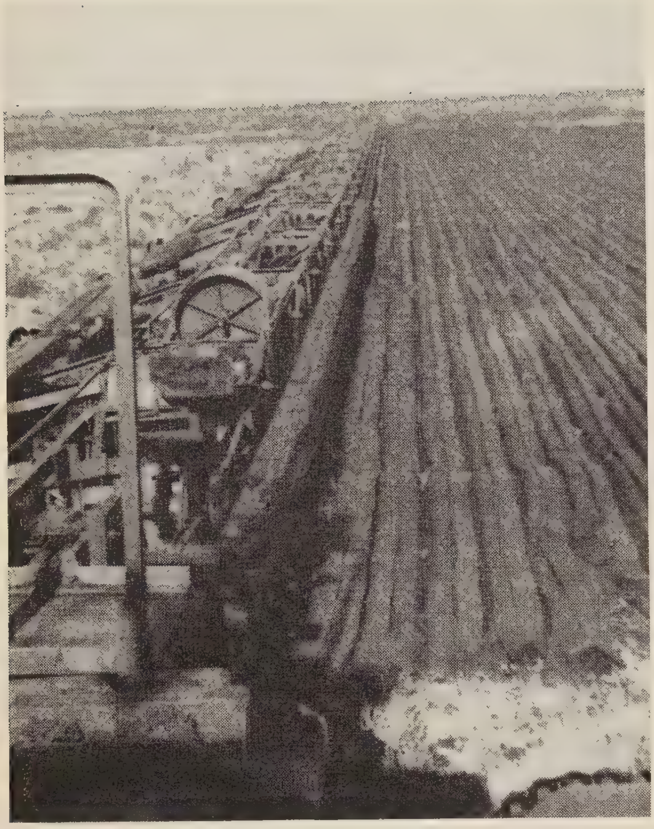
The tourist trade is holding up well. Total hotel receipts from visitors outside the Republic for the year 1953 reached over £5·8 million, compared with £5·5 million in 1952. Some £218 thousand of this was contributed by visitors from the United States and Canada, a 25 per cent increase over 1952, partly because of an overflow from the Coronation celebrations in the United Kingdom.

Emigration remains a major factor in the Irish economy and undoubtedly helps to ameliorate the unemployment problem. The birth rate has far exceeded the death rate since 1951, yet statistics reveal a decline in population since the 1951 census to the mid-1953 estimate of 2,942,000. Despite continued efforts to check the movement, migration from the countryside in general and the Gaeltacht in particular continues unabated.

## Electricity Production and Transport

Electricity production in the Republic is increasing year by year. Monthly output in 1953 averaged 103·83 million kwh. compared with 94·47 million in 1952 and it is still rising. One factor is increased industrialization but the strides being made in the rural electrification scheme also contribute much to the trend. Recently the 100,000th consumer since the start of this program seven years ago was connected with the national network.

The Irish national transport system, Coras Iompair Eireann, is planning an almost complete replacement of steam by diesel power and has recently signed a £4¾ million contract with a British firm for 94 diesel



*This special machine is at work cutting peat, a fuel widely used in Ireland. The arm is 54 metres long and turns 1½ tons of "turf" per minute. Irish peat-winning machinery was on display at the C.I.T.F. in Toronto this spring.*

electric locomotives. In addition, the company is building a number of diesel locomotives in the Republic. This change-over will save about £1 million a year in fuel costs.

### Agricultural Production

The agricultural price index averaged 316 in 1953 and fell to 314 in February 1954, compared with 317 in the same month last year.

The government policy of increasing the area of land under tillage is reflected in the rise in the acreage under wheat in 1953 and the yield per statute acre of this crop also is believed to have risen. Sugar beet acreage and yield per acre were up but, on the other hand, the production of oats and barley declined. The Government is putting greater emphasis on the vital need for building up soil fertility, lowered seriously by the shortage of fertilizers immediately before and during the war years. A number of fertilizer plants have been opened recently.

The cattle, sheep and pig population went up by 3·5, 4·9 and 13·7 per cent respectively between January 1953 and January 1954 but the poultry population fell by 6 per cent, the result of price declines in the United Kingdom market. The Minister for Agriculture recently outlined a proposed scheme for the eradication of tuberculosis in cattle. This is related to the forthcoming decontrol of the livestock and meat trade in Great Britain as it is felt that the disease could seriously hamper the Republic's cattle trade.

### Trade Deficit Persists

Total trade of the Republic in 1953 reached £297·4 million, with the excess of imports over exports £69·4 million, £1·3 million less than in 1952. In the early months of this year, however, the trade deficit again showed signs of increasing. It is estimated that imports in March exceeded the 1953 figure for that month and exports were about £·79 million lower than in March 1953.

In 1953, just over half of the imports into the Republic came from the United Kingdom, 13·9 per cent from dollar countries, and 18·8 per cent from non-sterling EPU countries. Some 90·6 per cent of exports went to the United Kingdom (an increase of 4½ per cent on 1952), 2·5 per cent to the dollar area, and 3·8 per cent to non-sterling EPU countries. Figures for January-February 1954 reveal an increase in buying from sterling and non-sterling EPU countries as compared with the same two months of 1953 and a decrease in dollar imports because of a fall in wheat purchases from Canada. Imports from the United States actually increased in this period. A comparison of exports for the same two months of 1954 and 1953 reveals that sales to the United Kingdom rose but those to non-sterling EPU countries, and the dollar area in particular, dropped off. The OEEC inter-European trade liberalization figure for the Republic of Ireland now stands at 86·7 per cent, compared with just over 75 per cent before July 1953.

### Trade with Canada

Trade between the Republic of Ireland and Canada, which is greatly hampered by exchange restrictions, has declined considerably since 1952. The value of this trade fell from £11·2 million in 1952 to £6·1 million in 1953 because of a fall in imports of nearly 50 per cent—from £10·9 million to £5·7 million. The 1954 statistics reveal an acceleration of this trend, although a moderate increase in exports to Canada during the first quarter of 1954 compared with the same period of 1953 is apparent. In 1953 chief imports were wheat, lumber, newsprint, hides, skins and wastes of leather; the most important exports were raw wool, chocolate and chocolate confectionery, jute fabrics and sisal matting, and pork. Cordage and woollen and worsted fabrics also figured in the trade. Exports of frozen beef and veal, which reached only £2,410 during 1953, totalled £22,573 in the first two months of 1954.●

# ITALY

*Good crops, especially of wheat, higher industrial production, and a smaller trade deficit marked 1953. Improvement in the trade picture may well continue throughout this year, as exports continue slow climb and rate of imports seems to be stabilized at about $200 million a month.*

A. A. CARON, *Assistant Commercial Secretary, Rome.*

IN GENERAL, business conditions in Italy improved during the last few months of 1953, assisted by good crops, a large number of tourists (including 67,000 Canadians) and by the confidence in business circles over the Government's attitude towards the more serious problems of Italian production.

The value of Italy's foreign trade last year totalled $3,900 million,* compared with $3,700 million in 1952, but this trade remains beset by certain problems, chief of which is a structural deficit in its balance. The trade deficit stems largely from external causes, as it is linked with international conditions and with the actions of other countries in relation to Italy—about 80 per cent of Italian imports consist of essential goods which cannot be produced domestically. U.S. economic aid and offshore orders have largely financed the overall deficit.

### Industrial Production Rises

Stated in terms of 1938 production=100, the general index of industrial production stood at 156 in 1953, an increase of 9·9 per cent over 1952, in spite of strong international competition. The index numbers for the three branches of industry were: mining, 175, or 30 per cent above the index number of 1952; manufacturing, 150 (14 per cent greater); electricity and gas, 202 (9 per cent greater).

Italian industry, located principally in the north, is varied in character and consists chiefly of a few big and internationally known enterprises and a very large number of small and scattered manufacturing units. Heavy industry is concentrated in and near Milan, Turin and Genoa, although steel is also produced in central and southern Italy. The principal lines are still automotive and railway transportation equipment, shipbuilding, and mechanical engineering. In most of these lines, especially shipbuilding, production capacity substantially exceeds current use. The chemical industry is located mainly on the Po River and its tributaries and to a lesser extent in Central and Southern Italy.

The surplus of labour remains a major industrial problem. The abundance of cheap labour, coupled with high interest rates and a dearth of capital seeking investment, has made managements slow to install costly capital equipment and the degree of mechanization in industry is below North American standards. In addition, some industrial companies often find themselves obliged to keep a considerable number of inactive workers on their payrolls.

The following index figures for 1952 and 1953 give an idea of the progress achieved in the various branches of industry:

### Index Numbers Classified by Branch and Group of Industries

| BRANCH AND CLASS | 1952 | 1953 |
|---|---|---|
| *Mining Industries* | 145 | 175 |
| Metallic ores | 99 | 102 |
| Non-metallic ores | 165 | 208 |
| *Manufacturing Industries* | 136 | 150 |
| Food and allied industries | 146 | 150 |
| Textile and clothing | 105 | 113 |
| Wood | 62 | 59 |
| Paper | 113 | 129 |
| Metallurgy | 150 | 149 |
| Engineering | 142 | 156 |
| Processing non-metallic ores | 137 | 161 |
| *Chemical and Kindred Industries* | 172 | 212 |
| Chemical | 147 | 177 |
| By-products of coal and oil | 465 | 591 |
| Synthetic textile fibres | 71 | 96 |
| Rubber | 142 | 160 |
| *Electricity and Gas* | 193 | 202 |
| Electric | 200 | 212 |
| Gas industries | 163 | 157 |
| General Index Number | 142 | 156 |
| Exclusive of electricity and gas | 136 | 150 |

### The Agricultural Record

On the whole, the agricultural year 1952-53 was favourable and did not disappoint expectations. The bumper wheat crop was followed by an excellent maize harvest. The outstanding wheat crop meant that Italy did not have to import such large quantities of wheat from the usual suppliers, such as Canada, the United States, Argentina and Australia.

The favourable results of the agricultural year must be credited also to improved methods of farming, the increasing use of fertilizers, and the ever-growing mechanization of farms. At the beginning of 1953 some 97,913 agricultural machines were in use in Italy, about 80,907 of them tractors. The growth of farm mechanization in the last five years is illustrated by the rise in new tractors registered from 3,167 in 1949 to 15,765 in 1953.

---

* Unless otherwise noted, dollars means U.S. funds.

### Trading Problems

The statistics currently available indicate that the improvement in Italy's foreign trade registered late in 1953 may well continue throughout 1954. Imports appear to be stabilizing at about $200 million a month; exports appear to be climbing slowly but steadily and to be remaining well above the 1953 monthly average of $124 million.

The slowing-down in the rate at which imports are rising can be attributed largely to the substitution of domestic wheat and methane gas for imported grains and coal. The upturn in exports is the result partly of the improving European economic and financial situation and increases in trade liberalization by other OEEC countries. Over 66 per cent of Italy's trade in 1953 was carried on with EPU members.

Despite the improved trade balance, trade still presents some problems. The deficit, although tending downward, threatens to remain large—it averaged $74 million a month in January-February 1954, an annual rate of $888 million. Import competition was encouraged by Italian liberalization of OEEC imports, a step which continued to be severely criticized on the ground that aid received by exporters in some other countries apparently was impairing the value of the relatively small protection afforded by temporarily reduced Italian tariffs. It was reported that many small firms have been forced to the wall, unable to compete with goods allegedly dumped by certain European countries. Exports have also encountered difficulty, it is claimed, partly because of medium and long-term export credits and other incentives available to certain of Italy's competitors. In addition, restrictions on imports of foods and agricultural items, especially by EPU creditor countries which are important markets for Italy's exports, are adversely affecting the country.

### Foreign Trade by Currency Areas

The following table gives the monthly averages of the foreign trade of Italy by currency areas:

*(in millions of dollars)*

| *Imports* | *Dollar area* | *EPU area* | *Other* |
|---|---|---|---|
| 1952 | 52 | 110 | 33 |
| 1953 | 34 | 134 | 32 |
| *Exports* | | | |
| 1952 | 17 | 76 | 23 |
| 1953 | 17 | 81 | 26 |

Compared with 1953, there may be a fall in dollar imports in 1954, largely because of smaller wheat purchases from the U.S. and Canada. A planned increase in imports of U.S. coal offsets this wheat reduction only partially. A high level of EPU imports is anticipated, based on Italy's continued demand for consumer and investment goods and the maintenance of a liberal import policy. Imports of Turkish wheat and possibly European coal will probably fall but larger imports of Australian wool, sterling area crude oil, Pakistan cotton and European machinery are expected.

Imports from third areas should rise because Argentina expects to supply 500 thousand tons of wheat, the Soviet Bloc promises to deliver more grain, cotton and petroleum, and Brazilian coffee imports continue to grow despite rising prices.

Exports to EPU countries will undoubtedly increase substantially, dollar exports will probably show no great change, and those to third areas will expand moderately.

### Trade Policy

Italy's trade and payment difficulties have forced the Government to consider corrective action. A policy of shifting imports from dollar and EPU countries to third sources has been put into effect on a trial basis. It is, however, meeting some resistance because the independent Italian cotton mills prefer U.S. to Egyptian cotton and some operators prefer U.S. to Polish coal. Another policy, that of liberalizing the issuance of dollar import licences on a selective basis, is being considered and most importers are, moreover, demanding full liberalization of many dollar imports. As for EPU imports, the Government has been petitioned to restore quantitative restrictions to protect some hard-pressed sectors. This would reportedly involve a drop of about 8 per cent in Italy's present OEEC liberalization program of 99 per cent. A restoration of higher import tariff schedules is also a currently popular demand. Still being considered are various export incentives, such as fiscal rebates and medium-term credits.

### Trade with Canada

The following table illustrates the trade between Canada and Italy.

*(in Canadian dollars)*

| | 1952 | 1953 |
|---|---|---|
| Imports from Canada | 52,645,030 | 33,169,576 |
| Exports to Canada | 11,735,426 | 14,270,933 |
| Italy's deficit | 40,909,604 | 18,898,643 |

The 1953 imports of wheat and flour from Canada fell far below the 1952 figure because of the excellent Italian crop and the increased production of local flour mills. Imports of codfish fell off largely because Italian importers had abnormal stocks carried over from the previous year. Greater quantities of canned salmon were purchased from British Columbia exporters and it is expected that the current local demand will approach the 1953 level. Non-ferrous metals such as aluminum and asbestos fared well but there was a somewhat smaller demand for stainless steel and wood pulp. Canadian chemicals were imported in larger quantities in 1953 than in 1952.

Italian sales to Canada of wines, cherries and nuts increased last year and the market for Italian machinery and machine tools also expanded.

### Canada-Italy Arrangement

*On Thursday, June 10th, the Rt. Hon. C. D. Howe, Minister of Trade and Commerce, made the following statement to the House of Commons:*

"Wednesday evening a joint statement was issued in Rome by the Hon. Mario Martinelli, Minister of Foreign Trade of Italy, and the Hon. Robert Winters, Minister of Public Works of Canada. This statement announced an arrangement between Canada and Italy, whereby Italy has agreed to make dollars available for the importation of codfish, canned salmon and synthetic rubber. This arrangement was negotiated by the Hon. Robert Winters, following preliminary discussions carried on in Rome with Italian officials by Shirley G. MacDonald, Commercial Counsellor of the Department of Trade and Commerce.

"Under this arrangement the Government of Italy has agreed to make dollars available for the purchase during the period July 1, 1954, to June 30, 1955, of Newfoundland and Labrador-type codfish, valued at $2,500,000; Gaspe-type codfish, valued at $600,000; and canned salmon, valued at $2,000,000.

"Provision for the sale of canned salmon was made possible by the lower prices for this product now being quoted in markets abroad. In addition, an initial quota for the importation of $500,000 worth of synthetic rubber has been established. This quota is over and above the considerable quantity of synthetic rubber for which quotas have already been established.

"Codfish, canned salmon and synthetic rubber are among the most important Canadian exports to Italy. This new arrangement will place sales of these products on a firm and stable basis in the Italian market."

# NETHERLANDS

***Most restrictions on imports of dollar goods removed June 1st; but new freedom provides a challenge rather than a concession for Canadian exporters. Government plan to increase industrialization is proving successful and the people are enjoying greater private consumption.***

V. L. CHAPIN, *Commercial Secretary, The Hague.*

ON JUNE 1st the Netherlands Government removed all but a few restrictions on the import of goods originating in the dollar area. The Dutch now accord to dollar goods the same freedom as the Belgians do—and Belgium's dollar import policy has been one of the most liberal in Europe since early in 1953. The removal of Dutch restrictions is, in fact, a result of the adoption by the two countries of a common import policy for dollar goods. As a consequence, the Benelux Governments have moved a step nearer to complete economic union and this area, with its population of 20 million, is practically a free market for Canadian products.

Canadian exporters must, however, regard this new freedom as a challenge rather than a concession. The Benelux Governments do not anticipate that dollar imports into the area will increase. This opinion is based on the belief that Canadian and U.S. manufacturers will do well to hold their own in the market, let alone oust European suppliers who, during the days of dollar restrictions, established themselves in the Benelux area. The new policy has been adopted partly because of this assumption, but mainly because of a substantial increase in Netherlands gold and dollar reserves—a direct result of a steady strengthening of the Dutch economy.

### Common Import Policy

Under the new policy, a common free list has been established for dollar imports which is, with a few exceptions, the same as the free list governing imports from the OEEC area. In other words, dollar goods now enjoy almost the same degree of import freedom as do goods originating in Western Europe. Commodities of particular importance to Canadian exporters included in the free list are the following: newsprint and wood products, including lumber and plywood; wood pulp; metal ores; iron and steel products, including special steels; crude aluminum, and other base metals; asbestos; chemicals; leather; electric and gas ranges, oil furnaces, washing machines; synthetic rubber products; large-size refrigeration units; salmon; frozen horsemeat; whisky, and all coarse grains. Items of interest to Canadian manufacturers which do not appear on the free list but which will likely be under quota or some other form of limited restrictions are the following: bulk antibiotics, nylon hosiery, hides and skins, and domestic refrigerators. Information regarding individual goods may be obtained from the International Trade Relations Branch of the Department.

It is possible that a few items may be restricted to protect local production and industry. Such restriction, generally speaking, applies to the OEEC as well as to dollar goods.

Quota goods, like free list goods, can be transferred without restrictions throughout the Benelux area. This may result in one or the other of the partners monopolizing the trade in various commodities.

### Challenge not Concession

In calculating whether the new policy would deplete their dollar reserves, the Benelux partners counted heavily on the inability of Canadian and U.S. manufacturers to make any substantial increase in their exports to this area. In fact, some quarters express doubts that we can maintain the present level of our exports to this market, even in the essential raw material trade in which we have had a strong postwar position.

The logic of these calculations is that the abnormal demand for dollar goods has disappeared. This is not the result of any substantial slackening of Dutch and Belgian demand but reflects the fact that supplies which formerly could be purchased only in the dollar area are now available at competitive prices from many West European countries and from a few in Eastern Europe. It is for this reason that the new freedom is a challenge rather than a concession. The market is no longer here for the asking—it must be won. In planning their campaign, Canadian exporters should bear in mind that they have a distinct advantage over European suppliers because the Dutch especially place a high premium on Canadian quality and on Canadian products generally. Purchasing power in this country is, however, deliberately curtailed in order to keep consumption within manageable proportions, and price is an all-important factor. A certain combination for success is Canadian quality at European prices and this is true of both industrial raw materials and durable goods.

### Strength of the Dutch Economy

Few, if any, countries enjoy a happier blend of control and freedom than is to be found in Holland. The Central Planning Bureau of the Netherlands Government has carefully planned the nation's course and government, management and labour are working in harmony to achieve it. Throughout the postwar period the keynote of the plan has been a sacrifice of private consumption in the interest of investment at home to industrialize the nation. This industrialization was desired to counterbalance the loss of the Dutch East Indies and to maintain a flow of goods for foreign trade, the lifeblood of the economy. To accomplish this, fiscal policy has been designed to keep private consumption at the lowest possible level consistent with national well-being, and wages have been, and continue to be, controlled at a level lower than in most European countries.

The task which the Netherlands Government has set itself is not yet completed but it has advanced to the stage where the Dutch nation can now begin to enjoy a greater measure of private consumption. This is evidenced by a consistent surplus on current account, by a gold and dollar reserve of approximately one billion dollars, a cumulative EPU surplus position of 340 million at the end of March, and by increased freedom of capital movements.

## Schuman Plan

*The High Authority of the European Community of Coal and Steel which was instituted under the Schuman Plan last year opened a common market for coal, iron ore, scrap and steel.*

*Customs duties and quota restrictions, which impeded the free movement of coal and steel within the six member countries, have been abolished; so have exchange controls. The President of the High Authority, M. Jean Monnet, has reported progress in this step towards the economic integration of Western Europe.*

*Discriminatory railway tariffs have been removed, exchanges between the six member countries have increased, imports of coal from outside the Community have fallen, and exports have risen after a year of operation of the Schuman Plan.*

*A loan agreement between the U.S. Government and the High Authority will assist it to finance re-equipment in the member countries and to build homes for mine workers. The High Authority is also looking forward to closer collaboration with the United Kingdom on the production and distribution of coal and steel. All this represents a considerable achievement and hopes are high that this plan can be extended to include other spheres of economic integration.*

# NORWAY

*Low export prices and rise in imports during 1953 meant continued restrictions on purchases from dollar area. Lower freight rates brought a decline in shipping profits, though merchant fleet increased. First quarter of 1954 saw slight improvement in exports and a fall in imports.*

J. L. MUTTER, *Commercial Counsellor, Oslo.*

DURING 1953, Norway's total production of goods and services topped that of 1952 and the exchange of goods and services with the rest of the world also rose. Export prices, however, developed less favourably than import prices and imports also increased in volume more than exports; the result was a large deficit in the balance of payments. The import surplus and the rise in production made possible greater civilian consumption and capital formation, despite a rise in defence expenditures. The low prices and marketing difficulties experienced by the export industries in 1952 carried on into the first half of 1953 and production in some—notably those manufacturing wood pulp, paper and paper products—fell below the previous year. However, in the late summer marketing conditions improved and production rose, although prices continued low.

From April 1948 to September 1953 Norway received $460 million in economic aid from the United States under ERP and MSA and $275 million of this represented direct aid. Since June 30 of last year, Norway has not had any further help under MSA. However, offshore procurement orders, mainly for ammunition, given to Norwegian suppliers totalled $22·5 million during 1952 and 1953 and in the last six months of 1953 technical aid granted to Norway amounted to $40,000. These offshore procurement orders and limited dollar grants for technical purposes appear to be the only forms in which Norway will receive American aid in the future.

### Relations with EPU

In 1953, as before, the European Payments Union was a vital factor in Norway's economic relations with other member countries. At the end of the year her total deficit in EPU stood at $106·41 million, compared with $16·51 million a year previously. The December deficit of $15·14 million was the largest for any one month. The big deficit in 1953 was mainly due to a N.Kr.623 million decrease in export and shipping earnings. During the first quarter of 1954 the deficit went up by $11·1 million and by the end of March reached $117·51 million. About $31 million of this has been paid in gold or dollars; the balance, $86·5 million, represents Norway's debt to the Union. As a result of the unfavourable balance of payments, Norway did not take steps during the year towards a further liberalization of inter-European trade. On the contrary, import regulations were more stringently applied to certain goods and the so-called "global quotas" were slightly reduced. The Ministry of Finance appealed to the banks to adjust their credit-granting policies in a further effort to limit imports.

### Balance of Payments

The year 1951 brought a surplus on the balance of payments for goods and services, 1952 approximate equilibrium, and 1953 a deficit of about N.Kr.711 million. Main cause was a considerable drop in freight rates and the low prices prevailing for exports of wood refining products. The deficit was financed mainly by credit in the European Payments Union and to a lesser extent by long-term foreign loans and an increase in business credits abroad. The balance with the dollar area was favourable to Norway, with a $22 million surplus. This surplus, however, was reduced to $7·5 million by the repayment of debts and by capital expenditure.

### Trade Shows Import Surplus

Although the volume of both export and import trade increased over 1952, the value of '53 exports (exclusive of ships) declined by N.Kr.302 million as a result of lower prices on the world market. Import values, on the other hand, increased by N.Kr.44 million. The total import surplus (commodities only) rose from N.Kr.1,816 million in 1952 to 2,162 million in 1953. Value of imports in 1952 was N.Kr.5,584 million and in 1953 5,628 million, and of exports, N.Kr.3,768 million in 1952 and 3,466 million in 1953.

The value of Norway's exports to the dollar area increased by 28 per cent over 1952; imports from the dollar area went down by 14·5 per cent compared with 1952. Main factor in this favourable trend was a rise in Norwegian exports to the United States of 32·5 per cent and a drop in imports from the U.S. of 20·7 per cent. Stringent restrictions on dollar imports were partly responsible for this trend. Of total Norwegian imports, 76 per cent came from European countries, compared with 72 per cent in 1952.

*This ship taking shape on the ways in an Oslo shipyard is typical of the new vessels being added to the merchant fleet. Norway's earnings from shipping, however, declined during 1953, largely because of lower freight rates.*

The chief suppliers were (1952 figures in parentheses): Great Britain, 21 per cent, (20); Western Germany, 16·1 per cent, (11·2); Sweden, 13·1 per cent, (13·8), and the United States, 8·5 per cent (11·1). The principal purchasers of Norwegian goods were Great Britain, 19·5 (20·1); the United States, 11·9 (7·7); Sweden, 9·4 (9·6), and Western Germany, 9·1 (8·8).

### Trade with Canada

Norway imported slightly less from Canada than in 1952—a total of $37·3 million compared with $39 million. Commodities figuring most largely were, in order of importance, nickel in matte or speiss, wheat, fine copper in ore, synthetic rubber, ores n.o.p., wireless radio apparatus, flaxseed, carbon graphite electrodes, and barley. Total value of exports to Canada declined considerably—from $3·9 million to $2·3 million. Norwegian fish products, which in 1953 comprised about half of these exports, appear to be steadily gaining a larger market in Canada. The most important exports to the Canadian market were canned anchovies and sardines; castings of steel; nickel bars, rods, strips and sheets; canned crabs, clams and shrimps; platinum, palladium and iridium; non-ferrous metals and products thereof; salted herrings; cod liver oil; cash registers; canned kippered herrings.

### Shipping Profits Decline

The past year has been a difficult one for the Norwegian shipping industry. Lower freight rates meant that shipping profits declined by N.Kr.450-500 million, totalling approximately N.Kr.1,550 million. The tramp freight index (July-December 1947 equals 100) remained fairly stable throughout the year; the highest rate, 93·5, was reached in April and the lowest, 83·3, in August. In February 1954 it was 85·6. The time charter index also reached its highest point, 76·3, in April and the lowest level, 63, in January. In February 1954 it rose to 69·3. The freights prevailing throughout 1953 were, however, sufficiently high to keep most of the Norwegian merchant fleet in operation. The number of gross tons laid up varied from 33,423 in January 1953 to 102,924 in October. On March 1, 1954, the laid-up tonnage totalled 87,908 (42 ships). The special tax imposed by the Government in 1948 on shipping freights earned by Norwegian shipping companies was abolished from January 1, 1954.

The merchant fleet continued to increase during 1953, from 6·04 to 6·45 million gross tons. The net increase represented about 410 thousand gross tons compared with 254 thousand in 1952. Of the total fleet on January 1, 1954, 395 were tankers totalling 3,405,000 tons. Deliveries of new ships from abroad in 1954 are estimated at 700 thousand gross tons, compared with about 400 thousand gross tons in 1953.

### Fisheries and Whaling

As a result of unfavourable weather, the Lofoten cod fisheries and the winter herring fisheries yielded considerably smaller catches than in 1952. The former declined from 90,807 to 50,113 tons and the latter from 820 thousand to 670 thousand tons. The total fisheries catch was some 20 per cent lower than in 1952; gross production was valued at N.Kr.454 million, or N.Kr.44 million less than in the previous year. On July 1, 1953, the Norwegian fishing fleet consisted of 36,056 vessels, compared with 34,127 vessels a year previously. The total catches of herring during the winter and spring season of 1954 reached a record of approximately 1,025,000 tons.

Because of the low prices for whale oil, only seven Norwegian floating factories and 95 whalers participated in the Antarctic whaling operations during the 1952-53 season, compared with 10 factories and 132 whalers during the previous season. Consequently, the production of whale oil and sperm oil declined and the total value of the catch dropped from N.Kr.226 million to N.Kr. 173 million. During the 1953-54 season, which ended on March 18, nine Norwegian floating factories participated.

### Agriculture and Forestry

Agriculture enjoyed a particularly good year and the output of vegetable products reached a new high. Hay crops and grazing proved satisfactory so that, in spite of smaller purchases of feedingstuffs from abroad, the output of animal products surpassed 1952. The steady increase in production in recent years has made it difficult to market bacon, eggs and butter. The output of milk products was too large to be marketed locally and exports, particularly of butter, increased. A reduction in the price of milk, however, helped to raise local consumption. Exports of eggs reached a record 2,150 tons, an increase of 94 per cent compared with 1952. The gross value of agricultural production in 1953 is estimated at N.Kr.1,482 million, or N.Kr.138 million more than in 1952.

During the felling season 1952-53, timber production dropped below the record of the previous season but had a gross value of N.Kr.747 million (N.Kr.943 million in 1952).

### Industrial Output Rose

Norwegian industries experienced varying conditions during 1953, but activity was high and output rose during the last half of the year. The total index of industrial production (1949 equals 100) was 127 for the whole year, compared with 122 for 1952. The index for export industries rose from 129 to 133 and for industries producing for the home market from 120 to 125. The wood refining, iron and metal and textile industries showed marked increases in output compared with the previous year. As in 1952, the iron ore industry achieved the largest increase in output—from 887 thousand to 1·27 million tons, most of which was exported. It was hard to market kippers and smoked herring in 1952 because of import restrictions in some of the more important buying countries, and large stocks remained on hand at the beginning of 1953. For this reason the production of these commodities was cut and the production index of the canning industry declined.

During the year certain industries, particularly tanneries, leather, footwear and textile manufacturers, appeared short of liquid assets. As a result, the Ministry of Finance freed previously frozen funds for these industries as well as for the fisheries. Industrial production as a whole, however, continued to rise during the first few months of 1954.

### Outlook for 1954

During the first quarter of this year, Norway's imports were slightly lower and exports slightly higher than in 1953, and shipping freights also improved. If the international economic situation remains favourable, increased production and high employment will probably continue throughout the current year. Irrespective of world economic developments, however, a deficit on the balance of payments in 1954 seems certain; imports of ships will go up and the buying pressure for other imports is likely to continue. The size of the deficit will therefore depend largely on the trend in the terms of trade.

## trade commissioners on tour

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions here and to renew their contacts with businessmen. Details of their itineraries appear under this heading, as a service to exporters and importers who wish to discuss trading problems with them.

M. J. VECHSLER, Canadian Government Trade Commissioner in Liverpool, began his Canadian tour in Toronto on June 23rd. His itinerary is:

Toronto—June 28-29
Hamilton—June 30
St. Catharines—July 2
Kitchener—July 5
London—July 6-7
Windsor—July 8-9

W. D. WALLACE, Commercial Secretary in Djakarta, Indonesia, began his Canadian tour in Ottawa on March 3rd and completes it in Vancouver, June 22nd to 30th.

Businessmen in the various centres may get in touch with these officers through the following organizations:

*Chamber of Commerce*—Hamilton, Kitchener, London, St. Catharines, Windsor.

*Canadian Manufacturers Association*—Toronto.

*Department of Trade and Commerce*—Vancouver (355 Burrard Street).

# PORTUGAL

*Six Year Plan made progress during 1953; two important dams plus power stations were completed. Trade showed unfavourable balance because exports fell in both volume and value. Foreign exchange reserves are high and restrictions on dollar imports may be relaxed.*

L. MOORE COSGRAVE, *Commercial Counsellor, Lisbon.*

SEVERAL SECTORS OF THE PORTUGUESE ECONOMY have achieved expansion in the past twelve months. Construction of houses and public buildings, of roads and bridges, of hydro-electric projects in the river valleys and of irrigation facilities has gone on apace; railways, airports, seaports, the merchant marine and the fishing fleet have all shared in the development. Bearing in mind the size of the country and its few natural resources, plus the fact that private industry has been, until recently, reluctant to subscribe to such undertakings, the record is a remarkable one.

## The Six Year Plan

Some 1,713,500 contos* were earmarked for the Six Year Plan in Continental Portugal during 1953 but not all of this was used, because of delays in some of the projects and slow delivery of construction materials. Even so, the following sections of the plan made progress: afforestation; the settlement of farmers; building of hydro-electric stations and oil refineries; development of maritime ports, railways, merchant and fishing fleets; and telegraph and telephone facilities.

Several new ships and many fishing boats have been commissioned, two important dams and their power stations completed, and the new national oil refinery nearly finished. Production of calcic-cyanamid has begun and two other large enterprises have gone into operation. One of these is carrying out the harnessing of the River Douro and the other is undertaking the building of a large thermal power station, burning national oil, to support the national grid when necessary, as in times of drought.

Metallurgy has taken a step forward and it is expected that progress will quicken when the Douro power station begins to produce.

## Trade in Agricultural Products

The 1953 season was an unfavourable one for agriculture in metropolitan Portugal and especially for fruit and vegetables. Wine and olive oil, however, the products with the greatest influence on the Portuguese economy, had better success; the olive and grape crops were exceptional—much larger than the average of the last ten years. The production of wheat has also been increasing slowly for the last five years and in 1953 reached about 650 thousand tons. Production of maize dropped in 1953 in both irrigated and non-irrigated zones.

Stock breeding had its ups and downs during the year; the drought made forage scarce but the situation improved during the first months of 1954.

## Other Export Industries

### *Wood and Cork*

Wood exports, and especially pitprops, dropped during 1953 compared with the previous year; so did sales abroad of certain classes of cork, mainly shavings and cork-boards, down by Can.$646 thousand and Can.$918 thousand respectively. The only class of cork products to rise both in value and quantity was cork agglomerates.

During the first five months of 1954, however, both the cork industry and the export trade in cork have improved so much that substantial exports during 1954 seem possible.

### *Resinous Products*

Exports of rosin during 1953 were about double those of 1952, although the unit value dropped about 20 per cent.

### *Ore*

Exports of ore, especially pyrites and wolfram, fell sharply—down by Can.$782 thousand and Can.$5·3 million respectively, compared with 1952.

### *Wine*

Table wine exports increased in value but decreased in volume; port wine showed a slight drop in value but the volume rose over 1952.

### *Canned Fish*

Sales abroad of some species of canned fish improved but the price per unit was lower, especially for sardines in olive oil and in sauces. The canned fish industry appears to be having problems and no improvement was evident until quite recently.

Industry in general has been passing through an anxious phase. In fact, the increase in competition both in home and in foreign markets has produced a difficult situation for some industries and the 1953 drought, lowering power production by about 25 per cent, has certainly not improved matters. Competition in the home market comes mainly from so-called cottage industries, which produce much more cheaply, and foreign competition from other European countries which could not previously export but are now back in the field.

---

* One conto=1,000 escudos, or approximately $34.00 Canadian.

### Foreign Trade

A comparison of the 1952 and 1953 figures on Portuguese foreign trade reveals that the unfavourable balance of 3,178,000 contos in 1952 rose in 1953 to 3,215,000 contos.

### Portuguese Foreign Trade

| | 1953 | | 1952 | |
|---|---|---|---|---|
| | *Tons* | *Contos* | *Tons* | *Contos* |
| Imports | 2,919,000 | 9,505,000 | 2,729,000 | 9,988,000 |
| Exports | 1,857,000 | 6,290,000 | 2,354,000 | 6,810,000 |
| Balance | 1,062,000 | 3,215,000 | 375,000 | 3,178,000 |

The figures for 1953 show that the cost of imported raw materials dropped about 25 per cent compared with 1952 but exports also fell both in volume and value.

In trade with Portuguese overseas territories, the deficit with Mozambique and Guinea increased and the surplus with Angola was larger. The trade balance with OEEC countries (with the exception of Ireland, Denmark, Greece, Trieste and Turkey) and with the British, Belgian and French overseas territories was favourable. Trade experience with Belgium, Great Britain, Germany, the Dutch overseas territories, France and Switzerland was especially good.

Turning to non-OEEC countries, trade with the United States showed a surplus of 102 thousand contos, in contrast to an unfavourable balance of 377 thousand contos in 1952. Trade with Brazil, conducted under a payments agreement, showed an unfavourable balance of 12,000 contos. The trade plan with Brazil provided for a Brazilian surplus to facilitate the settlement of outstanding commercial debts.

### Trade with Canada

In 1953, Portugal's purchases from Canada showed a slight drop of about 48,000 contos compared with the year before. Commodities figuring most largely in this trade included codfish, grain, furs, asbestos, aluminum, copper, tinplate, antibiotics, chemicals, and newsprint.

Exports to Canada increased in 1953 by about 6,200 contos. The main factor in this slight improvement was larger sales of raw carpet wool; cork shavings, cork-boards, cork agglomerates, and unspecified cork products; tin ore; wine and other beverages; shelled almonds; dried fruits; glassware.

### Relations with EPU

Portugal's balance with the European Payments Union has been in her favour practically since EPU began. In February 1952 Portugal's cumulative EPU balance totalled $114 million. Under pressure from the EPU to reach a closer balance, this was reduced consistently during the 22 months up to December 31, 1953, when it stood at $56 million.

The favourable balance with the dollar area, however, has continued and as of November 30, 1953, gold and dollar holdings had increased by $84 million, despite the repayment of $27 million to EPU.

The gold reserve seems more than adequate for any contingency and is actually equal to 112 per cent of the present note circulation and the hope is that restrictions on dollar imports may now be relaxed. Discussions with leading industrial organizations such as the Industrial Association of Portugal, the leading commercial associations, and long-established importers indicate that, in a number of categories, dollar goods are lower in price than similar European supplies—for example, semi-manufactured products, antibiotics, refrigerators, washing machines, etc.

In general, the outlook is reasonably hopeful for some relaxation in import restrictions. The recent conclusion of a most-favoured-nation agreement between Canada and Portugal, and particularly the extension of such treatment to Portugal's overseas provinces such as Angola and Mozambique, plus the useful concessions to Portugal on various commodities, should mean Canadian trade with Portugal will show a definite improvement.

## Transportation

*A new edition of "Canadian Foreign Trade Routes," giving more detailed information on sailings from Canadian ports, is now available from the Transportation and Trade Services Division. "Canadian Foreign Trade Routes" contains an index to foreign ports of discharge and to steamship companies and their Canadian agents, plus a table of steamship services from eastern Canadian ports and from Canadian Pacific ports, including ports of discharge, loading ports, number of sailings, space accommodation and other information.*

*To obtain this directory and other information on water, rail, air and road transport services to and from Canada, write to the Director of the Transportation and Trade Services Division, Department of Trade and Commerce.*

# New Trade Agreements Concluded

## Portugal

THE FIRST DIRECT TRADE AGREEMENT between Canada and Portugal was signed in Lisbon on May 28, 1954, and comes into force provisionally on July 1st. On ratification it will remain in effect for two years and thereafter, unless denounced by either country. Since 1928 Canada and Portugal have exchanged most-favoured-nation treatment under the 1914 Treaty of Commerce and Navigation between the United Kingdom and Portugal.

The new Agreement replaces the former arrangement. It provides for the exchange of unconditional most-favoured-nation treatment as regards customs duties and other charges and as regards all rules and formalities connected with imports and exports. Accordingly Canadian products, on their import into Portugal, are assured no less favourable treatment than goods from any other foreign country, including the United States and the United Kingdom. In return, Portuguese products on their import into Canada are accorded the most-favoured-nation rates of the Canadian tariff.

In addition, both countries undertake not to discriminate against each other in the application of import and exchange controls. As an exception and in recognition of balance of payments difficulties and the widespread inconvertibility of currencies, each country may temporarily discriminate as between convertible and inconvertible currency countries in order to safeguard its external financial position. However, there may be no discrimination against Canada and in favour of the United States or other dollar suppliers.

The Agreement includes a number of new features not formerly covered in Canada's treaty relations with Portugal.

- The exchange of most-favoured-nation treatment under the new Agreement applies to Canadian trade with the Portuguese overseas provinces as well as to metropolitan Portugal and adjacent Portuguese islands. Of particular interest are Portugal's large territories in Africa—Angola and Mozambique. These areas are in the process of rapid economic development and there are prospects for substantial trade. Canada has accorded tariff concessions to Portugal on almonds and cork and the overseas provinces will now benefit from the extension of Canada's most-favoured-nation rates of duty on their products, chief among which are coffee and cocoa. In return, Canadian goods are assured equal treatment on their import into Portugal's overseas territories.

- The Agreement also covers protection of trade marks, marks of origin and rights under patents.

- As part of the Agreement, and in recognition of Canada's traditional interest in the Portuguese market for codfish, Portugal has undertaken to authorize imports of up to 3,000 tons of dried codfish annually from the dollar area. Thus, while Portugal may find it necessary, because of balance of payments difficulties, to discriminate against dollar goods and in favour of imports payable in inconvertible currencies, special recognition is accorded to Canada's position in the Portuguese market for this important item. Salt cod has long been an important traditional item in the trade, but sales have been severely restricted in recent years under Portugal's dollar conservation measures. This relaxation of the restrictions is of particular interest to Canada's East Coast fisheries.

## Spain

THE FIRST DIRECT TRADE AGREEMENT between Canada and Spain was signed in Madrid on May 26 and comes provisionally into force on July 1. The Agreement will remain in effect for a definite period of three years from the date of ratification and automatically thereafter, subject to termination on three months' notice by either country.

This new Agreement, which supplements and amends existing treaty relations, strengthens Canada's commercial relations with Spain. Since 1928, trade between Canada and Spain has been conducted under the terms of the 1922 United Kingdom-Spain Treaty of Commerce and Navigation. The articles of this treaty not affected by the new Agreement continue in effect. They cover a variety of subjects, including national treatment on transport facilities, trade-marks, patents, consular and property rights.

The new Trade Agreement between Canada and Spain reaffirms the exchange of unconditional most-favoured-nation treatment as regards customs duties and other charges and all rules and formalities connected with imports and exports. As a result, Canadian goods will receive, under a direct agreement between Canada and Spain, no less favourable treatment on their import into Spain than the products of any other foreign country, including the United States and the United Kingdom. Canada, in return, extends to Spanish goods the most-favoured-nation rates of duty.

### Features of New Agreement

The new Trade Agreement extends most-favoured-nation provisions to all the Spanish possessions, whereas the former arrangement did not cover trade with all of Spain's territories in Africa. In addition, the Agreement includes a number of Canadian tariff concessions on items of particular interest to Spain—olives, olive oil, almonds and paprika.

An up-to-date article is included providing for the exchange of most-favoured-nation treatment in the application of import and exchange controls. Neither country may discriminate against the other under these controls except when it is necessary to safeguard the external financial position and balance of payments. However, restrictions shall not be applied in such a way as to cause unnecessary damage to the commercial or economic interests of the other country and may not discriminate as between convertible currency countries. There may be no discrimination against Canada and in favour of the United States or other countries whose currencies are convertible or may become so in the future.

The Agreement also contains an undertaking by Spain to authorize minimum annual imports of 2,000 tons of dry salted cod from the dollar area. Thus, while Spain may find it necessary to restrict dollar imports for balance of payments reasons, Canadian exporters of codfish are assured a continuing market in Spain for their product. Spain is a traditional and important market for Canadian cod but the trade has, in recent years, been sharply affected by Spain's restrictions on dollar goods. The Agreement results in a strengthening of the trade in dry salt cod on a more stable and continuing basis.

# SWEDEN

*Foreign exchange position improved during 1953, as larger exports of wood products and wheat offset a drop in sales of commercial iron and steel and of engineering products. On the whole, business conditions in Sweden continue to be both stable and prosperous.*

E. PARTRIDGE, *Office of the Commercial Counsellor, Stockholm.*

THE SWEDISH ECONOMY showed great stability in 1953. Industrial production moved up towards the end of the year and there was full employment, but without any marked shortage of labour. Since the end of 1953 consumer prices and the cost of living have risen only slightly. Sweden's foreign exchange position gradually improved throughout '53 and the deficit in the balance of trade with the dollar area became considerably smaller, though the strict control on imports paid for in dollars continued. The total value of wood exports increased, with exports of sawn and planed wood products reaching the highest level since 1934. Wood pulp exports exceeded in volume any postwar year and the paper industry worked at capacity. Iron and steel and engineering products did not enjoy such a favourable market. An excellent harvest brought a substantial export surplus of wheat.

Sweden's foreign trade in 1953 showed a deficit of 517 million kronor, with imports totalling 8,162 million and exports 7,645 million kronor. This represented an improvement of about 300 million kronor over 1952. The deficit in the balance of trade was more than offset by the 850 million kronor revenue from shipping and other transactions abroad. Gold and foreign exchange reserves, which increased by 340 million kronor, at the end of the year were:

(*in million kronor*)

| | 1952 | 1953 | *Changes* |
|---|---|---|---|
| Gold and dollars outside EPU | 1,052 | 1,307 | +255 |
| Gold and dollars received through EPU | 391 | 419 | + 28 |
| EPU currencies | 837 | 867 | + 30 |
| Other currencies | 4 | 31 | + 27 |
| Total | 2,284 | 2,624 | +340 |

The following table shows the distribution of Swedish foreign trade:

(*in million kronor*)

| | *Import* | | *Export* | |
|---|---|---|---|---|
| | 1952 | 1953 | 1952 | 1953 |
| Sterling area | 1,833 | 1,834 | 1,886 | 1,888 |
| Other EPU countries | 4,392 | 4,263 | 4,000 | 3,732 |
| Dollar area | 1,174 | 922 | 662 | 773 |
| Remainder of South America | 547 | 470 | 458 | 385 |
| Eastern Europe | 563 | 310 | 609 | 346 |
| Other countries | 438 | 363 | 519 | 521 |
| Total | 8,947 | 8,162 | 8,134 | 7,645 |

The decrease in trade with the Eastern bloc reflected the fact that Swedish deliveries under the five-year credit agreement with the Soviet Union were completed by the end of 1952. However, Sweden and Soviet Russia have concluded an agreement for commodity exchange during 1954.

The decrease in imports from the dollar area—from 1,174 million kronor to 922 million—may be traced mainly to the continued rigid government control of imports in this category and to the increasing availability of certain staple products from soft currency areas. Practically no coal was imported from the dollar area in 1953 and purchases of grain, cotton and metals from that area decreased considerably.

### Trade with Canada

Sweden's imports from Canada in 1953 totalled about \$4·6 million compared with \$12 million in 1952. Aluminum purchases—one of the important items in Swedish-Canadian trade—dropped from \$2·8 to \$1·9 million; Swedish imports of Canadian copper decreased from \$1·6 million to nothing in 1953, and iron and steel imports dropped from \$1·2 million to \$154 thousand. The surplus production of wheat in Sweden meant no purchases of grain from Canada. The value of asbestos bought from Canadians increased from about \$155 thousand to \$331 thousand. Swedish exports to Canada went up from \$8·6 million in 1952 to \$9·3 million in 1953.

### Forestry Exports Analyzed

Wood exports increased in total value by 100 million kronor and exports of sawn and planed wood products rose to 4,227,000 cubic metres in 1953 from 2,931,000 in 1952. Round timber exports, however, fell from 1,308,000 cubic metres to 929,000 and exports of prefabricated wooden houses also suffered.

Total production of wood pulp reached roughly 2·5 million metric tons, slightly larger than in 1952. Wood pulp exports, in volume, were the highest since the war.

#### Wood Pulp Exports, 1953

| | *(in metric tons)* |
|---|---|
| Mechanical pulp | 310,472 |
| Bleached sulphite | 619,842 |
| Unbleached sulphite | 470,186 |
| Bleached sulphate | 328,644 |
| Unbleached sulphate | 434,733 |

There was a welcome reduction in stocks from the excessive figure at the beginning of the year to the fairly normal one of 190 thousand tons. However, despite the large increase in volume, the lower prices meant an export value of about 250 million kronor below that of 1952.

The capacity of the Swedish paper industry has now risen to about 1·4 million tons a year and was almost fully utilized during 1953. Exports of newsprint reached 206,600 metric tons, compared with 208,400 in 1952. Wallboard exports rose from 105,400 in 1952 to 126,800 metric tons and, mainly because of the relaxation of import restrictions in the sterling area, exports of other paper and cardboard rose from 353,200 to 507,700 metric tons in 1953, though their value was somewhat less than in 1952, with the average price sliding from 1,400 kronor a ton to 950 kronor. The decrease in the export value for paper and cardboard came mainly in sales to the EPU area but the increase in value of exports to the dollar area and to South America compensated for the decline in EPU countries.

### Markets for Iron and Steel

Markets for the iron and steel industry have weakened noticeably, although the large backlog of orders on hand was adequate to maintain normal production. To stimulate demand, the steel works had to reduce their export prices but in spite of this, Swedish prices were higher than those of foreign competitors. Some preliminary production figures are:

| | *(in metric tons)* | |
|---|---|---|
| | 1952 | 1953 |
| Pig iron | 1,033,000 | 989,000 |
| Iron and steel ingots | 1,666,000 | 1,763,000 |
| Commercial iron and steel | 1,093,000 | 1,175,000 |

Pig iron exports increased from 73,900 to 123 thousand metric tons, although the export value declined. Exports of commercial iron and steel amounted to 143,600 metric tons compared with 142,000 in 1952 and their value decreased by about 25 million kronor.

### Engineering Industries Revive

During the first ten months of the year production in the engineering industries dropped sharply but conditions improved in November and December. The value of total exports of engineering products (including vehicles and ships) shrank by about 300 million kronor because the volume was down. (The decrease in exports to the Soviet Union occurred largely in this category.) The following table gives the value of exports of engineering products, quoted in million kronor:

| *(in million kronor)* | | |
|---|---|---|
| Manufactured products | 438 | 363 |
| Machines, means of transport, instruments (exclusive of ships) | 1,320 | 1,141 |
| Firearms, etc. | 81 | 99 |
| Ships | 461 | 365 |
| | 2,300 | 1,968 |

### Harvest Proves Excellent

The bread grain harvest is estimated at well over 1·3 million tons, or 22 per cent more than in 1952, and the total harvest of fodder grain was about 2·2 million tons—an increase of 20 per cent over 1952. The excellent '53 crop resulted in a large wheat surplus, replacing the 1952 shortfall which required imports. In 1953, Sweden exported 263 thousand tons of wheat compared with 62,100 tons the previous year; wheat imports totalled 45,400 tons compared with 334,800 tons in 1952. The principal purchasers of Swedish wheat were West Germany, Spain and Brazil. Other branches of agriculture also showed good results in 1953.

### Future Prospects

There is no indication that the marked though balanced boom which has prevailed in Sweden for more than a year is likely to taper off within the next few months. In the pulp and paper industry, production is rising because of relatively favourable export conditions and even in the engineering industry, where the trend was causing some apprehension, the situation appears to be stabilized. The timber market, on the other hand, is rather slack and the iron and steel industry is faced with stiffening foreign competition both in the domestic and in the export field. Wage negotiations so far in 1954 have been smooth and pay rises in some branches relatively small. Stability of income and prices should continue, especially as the excellent crops will probably lead to lower-priced foodstuffs.

There seems to be no immediate prospect of any relaxation in the present strict control on imports from the dollar area and import licences are still required for all dollar products.

# SWITZERLAND

*With industrial production high, national income rising, and exports exceeding imports, 1953 brought Switzerland prosperity, though competition from other traders is growing. Swiss bankers and industrialists are displaying interest in Canadian securities and industrial development opportunities.*

W. R. HICKMAN, *Assistant Commercial Secretary, Berne.*

LAST YEAR was one of continued prosperity for Switzerland. National income increased from 20·2 to 20·8 billion francs (from about \$4·6 to \$4·8 billion Canadian) despite a moderate decline in commodity prices which has now been checked. Swiss foreign trade closed with the first surplus balance in any peacetime year, following record exports and reduced raw material purchases. Revenue from invisible exports, particularly tourism and foreign investment, also reached a record. Accordingly, liquid reserves are high and there is an active interest in capital investment abroad.

### Employment Index Rises

One indication of the brisk industrial activity during 1953 is the movement of the employment index from 120 in the first quarter of the year (100=satisfactory) to 126 by the last quarter. Factories worked more overtime than ever before and the small number of totally unemployed at no time exceeded registered vacancies. Although some industries which had previously benefited most from defence activity abroad—engineering in particular—received fewer orders than in 1952, the backlog of unfilled orders helped to maintain high production. The chemical and pharmaceutical industry, and most of the textile industry, did better than in the previous year. Thanks to fine autumn weather, the tourist and construction industries also made excellent progress.

The high level of employment swelled the volume of retail sales, which exceeded 1952 by 2·6 per cent. This is all the more remarkable because selling prices were mostly lower than in 1952. Trade circles attribute this not to a real expansion in consumption but to the deferment of purchases in 1952 in anticipation of the lower prices which 1953 brought. The inventory reductions of 1952 came to an end almost everywhere in the course of the year. The best that retailers think they can expect in 1954 is to move as much merchandise as last year.

Recovering in February from a slight drop at the end of last year, the wholesale price index for Swiss goods remained steady at 196 (1939=100) over the remainder of the first quarter, fractionally above the 1953 average. The index for foreign goods on the Swiss market, after falling steadily over the past two years, climbed seven points in recent months to reach 240. To date, these increases have not carried over to the cost-of-living index which, based on 1948=100, continued steady at 105.

### The Foreign Trade Record

The balance of foreign trade for 1953 showed a marked surplus in Switzerland's favour. Normally, and desirably in view of the necessity to equip traditional European suppliers with the means to support Swiss service industries, Switzerland has a deficit on commodity account. The reversal occurred principally in trade with dollar countries, improving the Swiss exchange position at little or no expense to her invisible exports.

Exports rose by $95 million over 1952 to reach a record total of $1·2 billion in 1953. Imports, on the other hand, dropped by $30 million to $1·17 billion. The resulting export surplus of $28 million is in marked contrast to the 1952 deficit of $104 million and the even greater 1951 deficit of $280 million. In 1952, imports went down because of stock depletion; in 1953 the main reason was falling prices—the index of import prices averaged 6 per cent lower and the volume of imports moved up in many lines. With firming prices, greater buying activity is expected this year to result in the customary trade deficit. On the export side, the engineering industry contributed most to the expansion of sales. Even more pronounced, however, was the revival in foreign sales of cotton fabrics and aniline dyes.

In terms of countries, changes in trade with the United States were the most influential in shaping the 1953 balance. Imports from the U.S. fell by $50 million to a total of $141 million, sales to the U.S. rose by $34 million to $195 million. Shipments to Argentina, Brazil and Eastern Europe dropped sharply; those to the majority of Western European countries and to Australia, China and Japan improved. Trade with Europe in 1953 showed a deficit of $97 million and trade with overseas countries a surplus of $118 million.

### Trade with Canada

Because of their complementary economies, Canada and Switzerland have a common interest in fostering reciprocal trade. This trade has traditionally consisted of the exchange of Canadian raw materials for finished products but it is still relatively small. In 1953 Canadian goods represented 4 per cent of total Swiss imports, compared with the 1·8 per cent of total Swiss exports which went to Canada.

Over the past six years and into the first quarter of 1954, Switzerland has managed to increase its exports to the expanding Canadian market. Last year exports totalled $22 million,* an increase of $3 million over 1952 and almost treble the 1948 figure. Purchases from Canada during 1953 fell almost 10 per cent in value, reversing the former trend, but at $46 million still exceeded the Swiss export figure. The current ratio of two to one in Canada's favour nevertheless represents a change compared with the three to one ratio of 1948 and 1949.

The re-emergence of European competition in manufactures seriously restricts the possibilities for Canadian finished products in this market. Automobiles proved an exception in 1953, with imports from Canada amounting to $2 million. For its basic requirements of foodstuffs and industrial materials, however, Switzerland should continue to offer a dependable market. Imports of Canadian wheat, at $25 million, represented just over half of all Swiss purchases from Canada and 80 per cent of Swiss wheat imports from all sources. Watches (50 per cent), machinery and apparatus (15 per cent), chemicals (13 per cent), textiles (10 per cent), and cheese (10 per cent), accounted for the vast bulk of Swiss exports to Canada during the year. It is interesting to note that, per capita, Canada imported a third more watches than did the United States.

### European Payments Union

The progressive relaxation of import restrictions throughout the sterling area has been clearly reflected in Switzerland's foreign trade. Reduced almost to the vanishing point by postwar difficulties, Swiss exports to sterling countries (excluding Hong Kong) last year reached a record $135 million (1952, $128 million). Imports moved up to $108 million from $107 million in 1952. This encouraging development stemmed largely from Switzerland's joining the European Payments Union in 1950, which put an end to the discrimination against Switzerland as a hard currency source of goods.

Swiss purchases from currency areas affiliated with the European Payments Union increased from $770 million in 1952 to $785 million in 1953, the latter representing 67·7 per cent of total imports. Exports to these territories also rose during the past year from $625 million to $712 million, or 60·4 per cent of total sales abroad. The trade deficit with EPU therefore amounted to $71 million in 1953, $47 million less than in the preceding year. In spite of this, Switzerland realizes an overall surplus on EPU accounts as a result of invisible transactions settled through the Union. Although this large surplus has resulted in Switzerland advancing a considerable credit to EPU, it is generally agreed that the country's trade structure has shown distinct improvement as a result of membership.

### Capital Market

Last year the drain on reserves which set in in the middle of 1950 and showed signs of slackening in 1952 gave way to definitely easier conditions in the Swiss money market as a consequence of the 307 million dollar surplus on trading and service accounts. As against an aggregate increase of almost 46 million dollars in the central bank's sight liabilities and in outstanding banknotes, there was a rise of 55 million dollars in reserves of gold and foreign exchange, to 1·5 billion dollars at the end of 1953. The central bank's foreign exchange holdings apart from gold reached the equivalent of 119 million dollars, about 6 per cent higher than in 1952 and over twice the 1951 and 1950 figures.

---

* All statistics on trade with Canada are Swiss.

Private capital exports from Switzerland are substantial and higher on a per capita basis than in any other country. They amounted to 286 million dollars in 1953, up from 270 million dollars in 1952. In 1953, they have compensated almost fully for Switzerland's surplus on current account of about 297 million dollars and have thus been an important factor in maintaining a balance in Switzerland's economic situation. The United States attracted most of Switzerland's foreign investment money.

### Investment in Canada

Marked activity in Canadian securities was reported in Switzerland during 1953 and investments channelled through several of the leading banks were estimated at 20 to 30 per cent higher than in 1952. In the area of funded Canadian securities on the Swiss market, similar percentage increases were reported, with the combined value of Canasec, Canafund, and Amca (America-Canada Investment Trust) securities (Canadian only) estimated at over $80 million.

Following the recent lead of the well-known engineering firm of Brown Boveri and of two of the leading Swiss banks, several other Swiss enterprises were active on Canada's industrial development front during 1953.

Conservative by nature and influenced by the larger-scale production and market possibilities in the United States, the Swiss have nevertheless begun to pay close attention to Canadian investment and industrial development opportunities over the past few years.

### The Outlook

Emerging from three increasingly prosperous years, the Swiss economy has reached a point where stability rather than continued expansion is the most that can be hoped for. First-quarter developments were favourable, with sustained levels of production and employment, firming prices, and renewed activity in imports. EPU relationships are helping to restore Switzerland's traditional role in European trade and incidentally to ease the pressure on monetary reserves through facilitating capital export. Special attention is being given to the export of capital on a larger scale and to provide increased markets for Swiss goods.

The main danger facing Swiss economic interests is probably the increasing competition at home and in foreign markets. Business and trade officials are collaborating over means of meeting this competition. On balance, however, Switzerland's immediate economic future is viewed with confidence in official and business circles.

# trade and tariff regulations

### Japan

IMPORTS UNDER FOREIGN EXCHANGE FUND ALLOCATION SYSTEM—Import Notice No. 10, issued by the Japanese Ministry of International Trade and Industry on May 21, announced an additional list of goods for which applications are invited for licences to be issued under the Foreign Exchange Fund Allocation System. Under this import procedure, the Japanese importer must first obtain an allocation of foreign exchange from the Ministry before applying to the foreign exchange bank for an import licence.

According to the Notice, the commodities which may be imported from the U.S. dollar currency area, including Canada, are: soya beans, American lumbers, phosphate rock, pharmaceuticals, chemicals, and "miscellaneous". The Notice does not indicate the scope of the last mentioned heading.

*See "Foreign Trade" of May 29, page 27, for previous announcement.*

AGREEMENT RATIFIED AND IN FORCE—The instruments of ratification of the Agreement on Commerce between Canada and Japan were exchanged in Tokyo on June 7, thus bringing the Agreement into force as of that date.

The Agreement provides for the exchange of most-favoured-nation treatment in respect of customs duties and related matters, and for non-discrimination in the application of import and exchange controls except for balance of payments reasons. With respect to nine products of particular interest to Canada, Japan has undertaken to extend unconditional non-discriminatory treatment. Canada's most-favoured-nation rates of duty now apply to imports from Japan and Canadian goods are similarly assured most-favoured-nation treatment by Japan.

### United Kingdom

LICENSING ARRANGEMENTS FOR SYNTHETIC RUBBER—The Board of Trade, in Notice to Importers No. 655, announces that it is prepared to consider applications to import synthetic rubber from dollar sources during the six months ending December 31, 1954.

It has been announced that licences for synthetic rubber will be made available for up to 15,000 tons from the dollar area in 1954, whereas about 5,000 tons of synthetic rubber were permitted entry from this source in 1953.

LICENSING ARRANGEMENTS FOR DRUGS—The Board of Trade, in Notice to Importers No. 654, announces that any drug, raw or simply prepared, is admitted under World Open General Licence and may therefore be imported into the United Kingdom from any country without separate licence.

As a result, the Notice to Importers No. 635 is amended by including all drugs which previously required a separate licence.

# commodity notes

### Greece

HONEY—The 1953 record crop of honey in Greece exceeded 4,500 tons, compared with recent average of 3,000 tons a year. This increase was the result of favourable weather conditions and improved beekeeping equipment, both imported and successfully copied by local industry. To absorb the surplus, officials have appealed to local hotels and restaurants to increase the use of honey in their menus. It is expected that better packing and standardized qualities will increase exports, and that some 1,000 tons will be sold abroad during the year—Athens, May 24.

### Ireland

DRESSED MEAT—The dressed meat trade of the Republic of Ireland increased slightly during 1953 and continued to show an upward tendency during the early months of 1954. In 1953 exports of fresh or chilled beef and veal reached 421,581 cwt., comparde with 282,074 cwt. in the previous year. Fresh or chilled mutton and lamb showed a slight increase, but exports of frozen beef, veal, mutton and lamb declined as compared with 1952.

Great Britain continues to be the main market; in 1953 practically all exports of fresh and chilled meat were consigned there. The United States received nearly 50 per cent of frozen beef and veal exports (46,683 cwt. out of a total of 96,141 cwt.), the remainder going chiefly to Great Britain (13,661 cwt.), Sweden (17,605 cwt.) and Japan (11,233 cwt.) Statistics for the first quarter of 1954 show a change in the direction of exports of frozen beef and veal as compared with the same three months in 1953. Spain was the chief market, while other consignees, in addition to the U.S. and Great Britain, were Sweden, the Canary Islands and Canada. Canada received 2,088 cwt. valued at £22,573 in those three months, compared with total imports valued at only £2,410 in 1953—Dublin, May 31.

SUGAR BEETS—The acreage of sugar beets allotted by contract this year shows a substantial increase over the 1953 figure. The total contract acreage in 1953 was 64,281 statute acres, while that allotted to date is 73,306. The yield per acre in 1953 was 12·6 tons, compared with 10·5 tons in 1952. A new sugar beet seed breeding plant will begin operations shortly at the Thurles factory. This project is concerned with the breeding of the sugar beet seed varieties best suited to Irish conditions. Unrefined sugar imports during 1953, chiefly from Cuba, totalled 60,410 tons, valued at over £2 million. Refined sugar imports reached 44,228 tons, valued at nearly £2 million, and came from Cuba, Great Britain, Spain and Belgium—Dublin, May 26.

## Norway

HERRING MEAL AND OIL—As a result of this year's record herring catch, Norwegian production of herring meal has reached some 200 thousand tons, and herring oil some 90,000 tons. Both oil and meal have already been sold, over 70 per cent being exported for about Kr. 240 million. The total value of both commodities was approximately Kr. 350 million—Oslo, June 5.

## Spain

OLIVE OIL—An official report estimates the olive oil crop at between 250 thousand and 300 thousand metric tons, to which must be added the 90,000 tons left over from the last crop. During the first half of 1953, 12,000 metric tons of olive oil were exported; Cuba and the United States were the principal buyers—Madrid, May 26.

ARTIFICIAL FIBRES—Spanish production of artificial fibres in 1953 totalled 32,170 metric tons, according to an official trade journal. Output in 1952 and in 1951 was 30,300 metric tons. This year's production is expected to be slightly larger—Madrid, May 26.

AUTOMOBILES—The plant of the newly established company Sociedad Espanola de Automoviles de Turismo, Barcelona, is now producing at the rate of 4,000 units a year. The Italian "Fiat 1400" is being manufactured partly with Spanish materials and partly with materials imported from Italy. The completion of the plant and installation of additional equipment is under way and it is expected that the factory will eventually produce 20,000 cars a year—Madrid, May 26.

## Sweden

WOOD PRODUCTS—By the end of April, about 525 thousand standards of sawn and planed wood products (excluding box boards) had been sold by Sweden for delivery on the export markets during 1954. These sales represent 65-70 per cent of the total quantity available to export this year, which is estimated at 750 thousand-800 thousand standards—Stockholm, June 8.

CEMENTED TUNGSTEN-CARBIDES—A new factory has recently been opened for the production of cemented tungsten-carbides. The new plant, which employs 300, is stated to be the largest of its kind in Europe. Most of the production will go to export, the principal customers being Britain, France, Italy and the United States—Stockholm, June 8.

## West Germany

WOOD PULP—West German wood pulp production in 1953 exceeded that of 1952 by approximately 11 per cent. On a basis of "absolutely dry", it rose from 491 thousand to 540 thousand tons—Bonn, June 5.

PAPER AND CARDBOARD—During 1953 German paper and cardboard production reached a new peak of 1,970,000 tons, compared with 1,695,000 in 1952 and 1,805,000 in 1951. Despite this expansion, Germany's share in world production was only 4·7 per cent compared with 12·4 per cent before the war. German paper production per capita increased from 36 kilograms in 1952 to 42 kilograms in 1953—still below the 1938 consumption of 47·8 kilograms. At the same time the demand for imports increased considerably. Pulp wood imports totalled 235 thousand tons during 1953, exceeding the 1952 imports by almost 50 per cent, and imports of paper and cardboard increased sharply by 57 per cent. Imports of newsprint reached 84,000 tons, which represents more than 40 per cent of domestic production—Bonn, June 8.

PETROLEUM—During 1953, German consumption of petroleum products reached a new high of 6·8 million tons, compared with 5·6 million the year before. The increase in consumption of diesel oil alone amounted to 370 thousand tons. Total imports of mineral oil exceeded 5·2 million tons; crude oil imports of about 4·5 million tons were the main item. Under the 1954 processing program, a total of 9·2 million tons of crude oil—including 2·6 million tons of domestic oil and 6·6 million tons of imported oil—will be refined, compared with a total of 6·4 million tons, 2·1 million tons and 4·3 million tons, respectively, in 1953. The break-down of the 1954 refining program is as follows: 2·7 million tons of gasoline, 2·4 million tons of diesel oil, 1·7 million tons of heating oil, 0·7 million tons of bitumen, 0·4 million tons of lubricating oil, etc. Domestic crude oil production will expand considerably within the next five years. Estimates place total German petroleum reserves at 55 million tons, or about 80 per cent of the West European total. Domestic production is expected to reach 3·1 million tons in 1958. While Germany ranks only 18th among world petroleum producers, it is fourth with regard to the opening of new oil-wells. Although production from newly opened fields was only 40,000 tons in 1952, it is expected to reach 250 thousand to 350 thousand tons during 1955-56 and possibly 700 thousand tons in 1958. The some 2,200 wells in Germany produce an average of 2·4 tons a day, which is 30 per cent above the U.S. average—Bonn, June 9.

*The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.*

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·01846.

# foreign exchange rates

| Country | Unit | Type of Exchange | Canadian dollar equiv. June 11 | Notes (See below) |
|---|---|---|---|---|
| Argentina | Peso | Preferential buying | ·1309 | |
| | | Basic buying | ·1964 | |
| | | Preferential selling | ·1964 | (1) |
| | | Basic selling | ·1309 | |
| | | Free | ·07068 | |
| Austria | Schilling | | ·03776 | |
| Australia | Pound | | 2·2135 | |
| Belgium Luxembourg & Belgian Dependencies | Franc | | ·01967 | |
| Bolivia | Boliviano | Official | ·00517 | |
| British West Indies | Dollar | | ·5764 | (3) |
| | Pound | | 2·7669 | (4) |
| | Dollar | Brit. Honduras | ·6917 | |
| Brazil | Cruzeiro | Official selling | ·05217 | tax 8% |
| | | Effective buying | ·03462 | (2) |
| | | Coffee buying | ·04203 | (5) |
| Burma | Kyat | | ·2062 | |
| Ceylon | Rupee | | ·2075 | |
| Chile | Peso | Official | ·00893 | (1) |
| Colombia | Peso | Basic | ·3928 | |
| Costa Rica | Colon | Official | ·1749 | (6) |
| | | Controlled free | ·1479 | |
| Cuba | Peso | | ·9819 | tax 2% |
| Czechoslovakia | Koruna | | ·1364 | |
| Denmark | Krone | | ·1422 | |
| Dominican Republic | Peso | | ·9819 | |
| Ecuador | Sucre | Official | ·06546 | |
| | | Free | ·05672 | |
| Egypt | Pound | | 2·8195 | |
| Fiji | Pound | | 2·4927 | |
| Finland | Markka | | ·00427 | |
| France | Franc | | ·00281 | (7) |
| French Africa | Franc | | 00561 | (8) |
| French Pacific | Franc | | ·01543 | (9) |
| Germany | D Mark | | ·2338 | |
| Greece | Drachma | | ·03273 | |
| Guatemala | Quetzal | | ·9819 | |
| Haiti | Gourde | | ·1964 | |
| Honduras | Lempira | | ·4909 | |
| Hong Kong | Dollar | Free | ·1698 | *May 21 |
| Iceland | Krona | Official | ·06029 | |
| | | Special buying | ·04642 | |
| | | Special selling | ·03740 | |
| India | Rupee | | ·2075 | |
| Indonesia | Rupiah | Basic | ·08613 | (10) |
| Iran | Rial | Certificate | ·01088 | |
| Iraq | Dinar | | 2·7493 | |

---

* Latest available quotation date.

| Country | Unit | Type of Exchange | Canadian dollar equiv. June 11 | (See below) Notes |
|---|---|---|---|---|
| Ireland | Pound | | 2·7669 | |
| Israel | Pound | Effective basic | ·9819 | |
| | | Premium | ·5455 | |
| Italy | Lira | | ·00158 | |
| Japan | Yen | | ·00273 | |
| Lebanon | Pound | Free | ·3068 | |
| Mexico | Peso | | ·07855 | |
| Netherlands | Guilder | | ·2596 | |
| Netherlands Antilles | Guilder | | ·5206 | |
| New Zealand | Pound | | 2·7669 | |
| Nicaragua | Cordoba | Effective buying | ·1488 | (11) |
| | | Official selling | ·1393 | |
| | | With Surcharge I | ·1220 | |
| | | With Surcharge II | ·09770 | |
| Norway | Krone | | ·1375 | |
| Pakistan | Rupee | | ·2968 | |
| Panama | Balboa | | ·9819 | |
| Paraguay | Guarani | Basic | ·06546 | (1) |
| | | With Surcharge I | ·04675 | |
| | | With Surcharge II | ·03273 | (12) |
| Peru | Sol | Certificate | ·05119 | |
| Philippines | Peso | | ·4909 | tax 17% (2) |
| Portugal | Escudo | | ·03427 | (13) |
| El Salvador | Colon | | ·3928 | |
| Singapore & Malaya | Straits dollar | | ·3228 | |
| South Africa (Union of) | Pound | | 2·7669 | |
| Spain & Dependencies | Peseta | Basic buying | ·04483 | |
| | | Basic selling | ·08751 | |
| | | Basic commercial selling | ·05978 | (1) |
| | | Free | ·02521 | |
| Sweden | Krona | | ·1898 | |
| Switzerland | Franc | | ·2291 | |
| Syria | Pound | Free | ·2757 | *May 14 |
| Thailand | Baht | Official | ·07855 | (1) |
| | | Free | ·04725 | *March 31 |
| Turkey | Lira | | ·3507 | |
| United Kingdom | Pound | | 2·7669 | |
| United States | Dollar | | ·9819 | |
| Uruguay | Peso | Official | ·6464 | |
| | | Basic buying | ·5516 | |
| | | Special buying | ·4178 | (1) |
| | | Basic selling | ·5168 | |
| | | Special selling | ·4008 | |
| Venezuela | Bolivar | | ·2931 | (14) |
| Yugoslavia | Dinar | | ·00327 | |

* Latest available quotation date.

# notes

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only; certain essential imports exempt.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Brazil: Effective import rate is official rate plus free certificate rate. Certificate rate varies according to commodity.
6. Costa Rica: Official rate applies to all Costa Rican exports.
7. Metropolitan France, Algeria, Tunisia, Morocco, French Guiana, Guadeloupe, Martinique.
8. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
9. New Caledonia, New Hebrides, Oceania.
10. Indonesia: Basic rate applies to all exports and essential imports. Rupiah value for other than essential imports is reduced by 33⅓ per cent, 100 per cent or 200 per cent depending on product.
11. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
12. Paraguay: Basic rate applies to most Paraguayan exports.
13. Approximately same rate for currencies of Portuguese Territories in Africa.
14. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

# General notes

## Denmark

NEW FISHING BOATS FOR GREENLAND—In an attempt to interest Greenlanders in modern fishing methods, the Royal Greenland Trading Company in Copenhagen has had built six modern vessels at a Danish yard. These consist of three 26-foot and three 30-foot boats, capable of carrying between five and six tons each, full-decked with living accommodation for the crews. All six are equipped with line winches, making it possible to use lines of up to 1,000 hooks. They will be sold to interested Greenlanders on the instalment plan—Oslo, May 28.

## Greece

POULTRY FARMING—Poultry farming has yet to recover from the damage and neglect suffered during World War II and the civil war that followed. Shortage of agricultural credits plus very high prices of feed, domestic and imported, are responsible for the delay in rehabilitation. The poultry farm population is still only a little above one half of its prewar numbers (7,500 thousand head, compared with 12,500 thousand in 1938). Imports of eggs, chiefly from Turkey, are increasing as the purchasing capacity of the urban population rises. Egg production during 1953 was 25,800 metric tons and only a further 1,300 were imported, showing consumption per capita is still very low, at 64 eggs a year. The rate of domestic production must be doubled to raise consumption to satisfactory dietary standards. Imported egg powder has not been well received by the Greeks who have an aversion to processed or canned foods. In an effort to improve the laying breeds, the Agricultural Bank has been importing baby chicks from Holland and the United States. Prospects for business with Canada could develop in the future—Athens, May 15.

## Norway

CORUNDUM PRODUCTION—British and United States business interests are reported to be considering the joint project of a new bauxite smelter for the production of corundum, to be situated at Sauda near Stavanger. The factory, the first of its kind in Norway, will have six furnaces consuming about 5,000 kilowatts. The United States is to supply the bauxite and the finished product will be for export to the United Kingdom and Europe—Oslo, June 8.

## Sweden

NEW STEEL WORKS—A new steel tube mill at Storfors, Sweden, will soon begin production, with an annual capacity of 12,000-20,000 tons. The mill will specialize in tubes of small dimensions up to three inches in diameter—Stockholm, June 5.

## United Kingdom

ANGLO-GERMAN TRADE—As a result of discussions which took place recently between the United Kingdom Chancellor of the Exchequer and the German Federal Minister for Economic Affairs, a joint statement by the United Kingdom and Germany concerning the restoration of conditions of normal competitive trade has been released.

This statement announces the German decision to abandon export incentives by means of tax adjustments when the existing law expires at the end of 1955. The United Kingdom has asserted, and Germany has accepted, that Britain does not subsidize her coal and steel exports and that internal coal and steel prices do not subsidize export industries using these materials.

The United Kingdom also pointed out that it is not its intention to return to any system of government allocation of raw materials and that there are no open or concealed subsidies for British exporters.

The acceptance of these statements by the German Government, together with the German announcement of the proposed abandonment of tax adjustments for export industries, is regarded as a significant step in the drive to eliminate subsidized exports in world trade—London, June 12.

## West Germany

FILM INDUSTRY FOR BERLIN—The Ufa Universum-Film A.G., created when the old Reich film property was split up, will have its head office in Berlin and shoot its films there. All preliminary conditions, including funds, are guaranteed for the production of six large films—Bonn, June 2.

BRIDGES IN COLOMBIA—Contracts for construction of 14 steel bridges in Colombia, at a total value of pesos 12 million (roughly $4·8 million) are reported to have been let to two German firms. The choice was confined to German firms only because of the necessity of balancing a large payments item in the German-Colombian trade agreement—Bonn, June 4.

# TEA

## FOR YOU

Green or black, bulk or bags, hot or iced, with or without, tea is taken by most Canadians. So much a part of our daily living, in fact, that it's taken for granted. Seldom do our thoughts about tea go beyond the pot, or the package on the grocer's shelf.

The July 10 issue of "Foreign Trade" goes farther—direct to nine producing countries, and to the London Tea Market, the centre of the world's tea trade. Tea drinkers, and others too, will find the July 10 issue a stimulating brew.